

**Factors influencing the access and flow of market information within the Kenyan Informal Sector:  
The case of Kamukunji Metal workers in Nairobi.**

By

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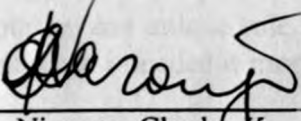
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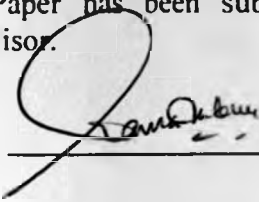
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This Paper has been submitted for examination with my approval as University Supervisor.

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## **DEDICATION**

This paper is dedicated to my dear wife Alice and my daughter Sophia. You have each played an important and unique role in my life I am forever grateful for your support and encouragement when I needed it most.

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I would like to thank all people who assisted me in various ways in completion of this paper. Among the many whom I am very grateful to, a few merit special thanks for their contributions and insight. I would like in particular to thank my Supervisor Mr. Kamau Mubuu for his guidance and close supervision of this work. Without his guidance, attention and advice, this paper would possibly not have been completed.

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## ABSTRACT

This study examines the factors that influence the access and flow of market information within the Kenyan Informal Sector. The broad objective of the study was to find out whether the Kamukunji Jua Kali artisans in Nairobi get the relevant market information and at what cost. However, there were a number of specific objectives which include: to identify and describe methods of information gathering and dissemination among the Kamukunji Metal workers. Another specific objective was to determine the extent which market information is used to enhance business growth within the informal businesses. The study also set out to examine the factors that influence the access and flow of market information needs within the Kenyan informal sector.

The study made use of both primary and secondary sources of data. The primary source of data was interviews with Kamukunji Jua Kali Metal artisans in Nairobi. A sample size of fifty Jua Kali artisans was selected and information gathered from them by use of a pre-designed questionnaire. The study largely depended on available literature for secondary data. Recent literature on the informal sector in Kenya was reviewed to establish the relevance and importance of the Jua Kali sector. Similarly, recent literature on the importance of market information to the informal sector was reviewed. In the literature review section, participatory communication and development communication theories were also reviewed.

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Study findings indicate that the most important marketing information need for the Kamukunji artisans is knowledge of source of affordable raw materials. The findings also indicate that artisans encounter immense problems in accessing market related information and that access to this information is an expensive exercise. From the study, it emerged that artisans require immense knowledge to facilitate their decision-making in production. The study argues that there is need for government's intervention in improving the artisan's accessibility to market related information.

One of the recommendations of this study is that the government can help to create bigger markets for the Jua Kali artisans by promoting product innovation and building institutional capacity. There is also need to encourage the artisans to participate fully in gathering and dissemination of market information. The study also recommends that there is need to empower the welfare associations formed by the informal sector operators to take control of the process of acquiring and disseminating information.

## ABBREVIATIONS

<b>GDP</b>	<b>Gross Domestic Product</b>
<b>ILO</b>	<b>International Labour Organisation</b>
<b>KEBS</b>	<b>Kenya Bureau of Standards</b>
<b>KIE</b>	<b>Kenya Industrial Estates</b>
<b>KIRDI</b>	<b>Kenya Industrial Research Development Institute</b>
<b>KJKA</b>	<b>Kamukunji Jua Kali Association</b>
<b>LDCs</b>	<b>Least Developed Countries</b>
<b>MSEs</b>	<b>Micro and Small Enterprises</b>
<b>NARC</b>	<b>National Rainbow Coalition</b>
<b>NCBD</b>	<b>Nairobi Central Business District</b>
<b>NCST</b>	<b>National Council of Science and Technology</b>

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## CHAPTER 1

### 1.0 INTRODUCTION AND BACKGROUND

#### 1.1 Introduction

This study seeks to investigate the factors that influence the access and flow of market information needs within the informal sector in Kenya. It also seeks to establish how such information is gathered and disseminated. To accomplish this, the study seeks to explore the role and impact of market information on growth and development of the informal sector in Kenya.

Bromley, (1990) defines the informal sector as “economic activities that take place outside the formal norms of economic transactions established by the state and formal business practices but which are not clearly illegal in themselves.” (p.328). In a more recent article, the International Labour Organisation (I.L.O) defines the informal sector “as comprising unregistered production units or micro-enterprises that operate at a low level of organization, with little or no division between labour and capital, and on a small scale” (I.L.O, 2000).

According to I.L.O. Micro-enterprises are usually owned and operated by one individual or household and seldom engage in formal contractual agreements with banks, suppliers, customers, or other stakeholders.

The informal sector is seen by many scholars as a system of exchange used outside the state-controlled economic activities. It is also seen as work that is outside the formal

sector that is not officially registered. The activities of the informal sector are rarely reflected in official statistics on economic activities of a country.

As stated earlier in the paper, "Informal Sector" remains a controversial term. Maloney (2004) asserts that three decades of research have not yielded a consensus on the definition of the informal sector. He argues that unlike what other scholars say, over half of the people in the informal sector entered voluntarily. He cites an example of Mexico where over 60% of those in informal self-employed sector left their previous job and entered the sector out of a desire for greater independence or higher income.

He further argues that 'being ones' own boss and having flexibility is very valuable and worth taking a wage cut for' (p. 1164).

Due to the fact that the informal sector business operators have little or no capital, the sector is seen by some scholars as an area of disguised unemployment and exploitation that serves as a reserve source of cheap labour force. However, on the other hand, there are other scholars who have seen the potential of the sector as an agent of rapid national development. The scholars generally focus on the positive assessment of the sector and show that by providing credit and training, the sector will not only promote individual businesses but also create more employment in the economy.

In Kenya, the informal sector is generally referred to as the 'Jua Kali' sector. The term is derived from two Kiswahili words, "jua" meaning sun and "kali" meaning hot. The concept was coined from the fact that majority of the people are small scale workers eking out their living by working in open air, usually under hot sun. The workers are

involved in a variety of manufacturing and repair activities and in productive services such as metal, carpentry, handicrafts, hairdressing, shoe-making and repairing etc.

The informal sector is an important source of employment and as Maundu (1992) found out, the Kenya government has taken major steps in recent years to formulate policies that address market failures and other constraints that face the sector. The government's interest in the sector has helped to improve the initial public negative image of the sector. This was out of the realization that it is an important source of employment.

The sector continues to experience rapid growth due to the collapse of the formal economy, retrenchment, and downsizing of the public service workforce, layoffs, school dropouts and rural-urban migration. Recent studies in Africa indicate that the informal sector accounts for more than half of the total urban employment.

However, despite the fact that the informal sector creates wealth, fosters new ideas and can be viewed as an engine for economic growth, the sector is faced with numerous challenges.

One of the biggest challenges for the informal sector is the hurdles to growth due to poor or inadequate information. The *Kenya's Sessional Paper No. 2 of 2005 on Development of Micro and Small Enterprises for Wealth and Employment Creation for Poverty Reduction* rightly identifies this problem and notes that "access to markets and marketing information is a severe constraint to MSE development in Kenya."(p. 9)

The paper continues to show how flow of information on MSE markets has slightly improved. however, many still do not know where and how to access existing and relevant marketing information. As a result, majority rely on informal feedback from customers.

It is important for the informal sector to have access to relevant information if they are expected to compete fairly with the established firms in the formal sector. Hallberg, (2000) says that markets must allocate resources efficiently and that all market participants must have the same relevant information.

Without fair access to information, there is a bias against small firms and thus for example, it is difficult or costly for banks to obtain information on the potential creditworthiness of potential informal sector clients. Another example is the inability of small informal businesses to enter and compete in export market due to the fixed high cost of acquiring information on foreign buyers, distribution channels, quality standards and technologies.

The importance of information can be equated with that of knowledge. Both knowledge and information are essential for people to respond to opportunities and challenges of social and economic changes. However, to be useful, knowledge and information must be communicated effectively. This effective communication does not exist in the informal sector.

Education and communications media are both vested with crucial responsibility in the process of national development. This argument is advocated by Schramm (1964) who contends that: "an adequate flow of information in developing country is more necessary than the flow from the top of political hierarchy.(p.36). He argues that modern communication is important to development, adding that "the task of the mass media of information and the new media of education is to speed and ease the long, slow transformation required for economic development". (p. 27).

The *Sessional Paper No. 2 of 2005* states that in Kenya, the informal sector's information needs are not very well spelt out and it is not clear where the sector gets its information, how the information is used and in what form. The informal sector constantly needs information on:

- credit facilities
- market prices and competition
- costing and pricing skills
- credit and saving management skills etc.

The study is basically guided by the following questions:

- i) What are the factors influencing the access and flow of market information needs in Kenya's informal sector?

- ii) Do the Jua Kali artisans in Kamukunji get the relevant market information and at what cost do they get it?
- iii) Are the Kamukunji metal workers in Nairobi involved in gathering and dissemination of market information?

## **1.2 Statement of the Problem**

Every year the informal sector is expected to absorb large proportion of new entrants into the job market in Kenya. In 1995, the population of Kenya was projected at 27.5 million with an annual growth rate of 2.7%. The total number of employees in the formal sector grew by 3.1% in 1967 while the informal sector expanded by 18% in 1966 and 13% in 1988 (Youth, training and employment, 1999).

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Thus more and more school leavers now join the informal sector which is rapidly growing and accounts for over 63.6 of labour force. Others who enter the sector include retired and retrenched workers (Youth, training and employment, 1999).

Statistics show that the larger portion of youths from each level of the education system in Kenya do not find place in the next higher level and will not find a job in the formal sector. For example majority of form four leavers do not join universities and polytechnics, they rely on the informal sector for employment.

While there have been a consensus that the informal sector plays a vital role in absorbing excess labour force in the country, there has been concern that most of the enterprises have continued to stagnate at the bottom and they do not show signs of growing into



medium and large scale enterprises. Some of the difficulties that are responsible for the stagnation include legal structures, unavailability of capital to develop businesses while others are related to lack of appropriate information needed for the operation of a business.

It has been observed that as small businesses rise above the constraints of liquidity, other needs become apparent. These needs must be addressed for the business to grow. For example, Kenya's manufacturing sector, which is dominated by Asians, is able to do better than the informal sector because the Asians are able to access relevant marketing information and procure low cost raw materials. The Asian businessmen have realized that the first step towards access to knowledge is through exchange of information which can be described as networking. However, the same cannot be said of the jua kali artisans, businessmen and women.

Networking facilities in Kenyan business sector are available mainly for medium and large scale enterprises. For example, we have the Rotary clubs, Chamber of Commerce and Industry and Kenya Association of Manufacturers.

In the informal sector, there are few such facilities beyond the local Jua Kali Associations. Therefore when the operators wish to develop their business using contacts beyond their location, their only option is usually to work through traditional family based networks. Family networks are not a boost to business since they are not business based. Such networks may indeed work against business growth since successful business

may attract increasing requests from family members for financial assistance for school fees, hospital costs etc.

This study seeks to examine ways in which market information is used to enhance proper management of business in the informal sector. The study also seeks to examine the factors that influence the access and flow of market information needs within the sector.

### **1.3 Objectives of the Study**

The study seeks to achieve the following objectives:

- a) To identify and describe the methods of information gathering and dissemination among the Kamukunji Metal workers Nairobi.
- b) To determine the extent which market information is used to enhance business growth within the informal businesses; and
- c) To examine the factors that influence the access and flow of market information needs within the Kenyan informal sector.

### **1.4 Justification of the Study**

The Kenya's *Sessional Paper No. 2 of 2005 on Development of Micro and Small Enterprises for Wealth and Employment Creation for Poverty Reduction* asserts that there exists an information gap for the informal sector especially in relation to markets, finance and skills. This gap hampers the sector's growth and reduces incomes and increases costs.

There is need for the understanding of the role and impact of market information in addressing the more immediate and practical needs of the sector. The sector is in constant need of information, advice and mentoring for faster growth of the businesses in the sector. Although some information is generally available, it is often of poor quality, insufficient and restrictive in its range. The information is also not well packaged in such a way that it would be easily accessible to the user.

The findings of this study could be used to formulate government policies which will be used to assist the informal businesses to grow from small scale into medium sized and eventually into large scale enterprises. For example, the study findings may be used to develop policies that address the information gap within the sector and thus assist the small business operators to access cheap raw materials and also be able to easily market the finished materials more efficiently.

The findings of the study could also be used to formulate methods of receiving and sharing relevant and well packaged information by involving all the stakeholders in the sector through more participatory approaches. The study findings may also be used as a case study to demonstrate that, as modern scholars assert, 'communication for development is a systematic design and use of participatory activities and media to share information and knowledge.'

## **1.5 Definition of Key Terms**

### **1.5.1 Informal Sector**

The word informal refers to lack of conformity to rules or without elaborate procedures or regulations. Therefore the term 'informal sector' refers to the economic activities, within an economy, that do not conform to generally accepted rules or elaborate procedures within the industry. Informal sector is also called non structured sector and it is a term that was first used by the International Labour Organisation (ILO) in 1972. In a paper called "Employment Incomes and Inequality: A Strategy for increasing productive employment in Kenya," ILO associates the sector with 'poor workers who produce goods and services while their activities are not acknowledged, registered or protected by public authorities,' (Geneva, 1972). Thus the sector is mostly unconstrained by rigid standards and rules. For example, it is generally accepted that formal businesses should be registered by the Registrar of Companies under the relevant Act of Kenya. Laws. It is also accepted that employers are governed by specific procedures of hiring and firing of staff. However, in the informal sector, these procedures are non-existent or are not observed at all.

Bromley, (1990) argues that the informal sector is composed of small sized business entities that are not registered by the government. Though these are not necessarily illegal, they operate outside the etiquette of the state and formal businesses. The informal sector is characterized by low level of business organization, one individual/ family ownership, little capital investment, low levels of productivity and more often than not, operating from temporary structures.

### **1.5.2 Jua Kali Artisans**

'Jua Kali' are two Kiswahili words meaning "sun" and 'hot' respectively, thus the concept of *hot sun*. In Kenya, Jua Kali has been used to refer to the informal sector i.e. all economic activities that do not conform to the generally accepted business etiquette like registration and formality. Traditionally, the term has been used mostly to refer to informal sector operators who eke out their living by working in open air or in poorly constructed sheds under the mercy of hot sun. Most of these operators are motor car mechanics, carpenters, metal work fabricators, tailors, cobblers, painters etc.

Therefore the term "Jua Kali artisans" refers to the informal sector operators who eke out their living by manually working under harsh climatic conditions of hot or rainy weather.

### **1.5.3 Participatory Communication**

'Participatory' means having a share or taking part in an activity without being forced. It refers to the active involvement of different actors. Participatory communication therefore refers to the active involvement of different actors in the communication process. Participatory processes strive to create opportunities of a group of people to make meaningful contribution to decision making and seeks to broaden the range of people who have such opportunities. Some of the advantages of participatory processes is greater relevance of the decisions made by the group of actors involved. The decisions made in such a process are faster adopted and are appropriate.

Proponents of participatory communication argue that it is necessary to actively involve all actors in the communication process, where communication patterns are both

horizontal as well as vertical and vice versa. Participatory communication is an interactive vehicle for discussion, information exchange, decision making and action taking which is usually geared towards community empowerment.

#### **1.5.4 Market Information**

Information is knowledge which is received or communicated concerning a particular fact or circumstance. It is one or more statements or facts that have some form of worth to recipients. On the other hand, market is taken to mean the business of buying and selling of specific commodities: the entire enterprise of buying and selling commodities.

This study sought to explain the knowledge that Jua Kali artisans need or have concerning buying and selling of their products. The process of acquiring information on prices and sources of raw materials, fixing selling prices and outlets for the products used in the informal sector has been reviewed in this study.

## **CHAPTER 2**

### **2.0 LITERATURE REVIEW AND THEORETICAL FRAMEWORK**

#### **2.1 Introduction**

In this chapter, literature on the informal sector and its importance to Kenya's development is reviewed. The growth of this sector has been traced and some of the problems experienced by the artisans have been noted. This section also reviews literature on market information needs and the place of participatory communication within the informal sector. Literature on development communication theories has also been reviewed. The section highlights what other scholars have written on this and related topics and it helps the reader to understand the background of the study and also explain the reason for the stand taken at the end of this study.

#### **2.2 The Importance of the Informal Sector in Kenya's Development**

Recent studies of the informal sector in Kenya indicate that nearly 18% of Kenya's Gross Domestic Product (GDP) comes from the sector and that the sector comprises 90% of all businesses in the country. According to the Kenya's 2003 Economic Survey, employment within the sector has increased from 4.2 million people in 2000 to 5.1 million people in 2002. This accounts for 74.2% of the people engaged in employment.

The International Labour Office (ILO) report of 1972 on employment and income in Kenya outlines reasons that lead to rapid growth of the informal sector. Some of the

factors enlisted include ease of entry, use of family labour, use of local resources and low capital input.

The sector continues to experience rapid growth and its importance is stressed in Kenya's Sessional Paper No. 1 of 1986 on Economic Management for Growth. This paper rightly identifies the sector as: "a source of new jobs for the expanding labour force, while the self employed and small scale enterprises represent the majority part of business activity in market towns and smaller urban centres "( p.54).

There is widespread agreement that the informal sector represents a 'growing proportion of economic activity, particularly in less developed countries (LDCs)', asserts Cross John in his article entitled "Informal sector." The International Labour Office views the informal sector as 'a potential solution to employment in Less Developed Countries' (p.1).

The fourth Kenya Human Development Report of the year 2005 entitled "*Linking Industrialisation with Human Development*" indicates the importance of the informal sector. According to this report, 'Micro and Small scale enterprises are everywhere in Kenya, with an estimated employment growth rate of approximately 11% per year' (p.18).

The sector's important role in the Kenyan economy can not be over emphasized; it is made up of a wide range of small enterprises that employ less than ten employees. Maundu (1997) describes the sector as consisting of "small scale workers eking out their



living by manufacturing products or providing services in open air under the tropical sun and are generally referred to as Jua Kali artisans”.

The *Fourth Kenya Human Development Report* asserts that “most MSEs are sole proprietorships or partnerships of one or two persons” (p.18). Typical MSE is operated by an owner, together with one or two others, including family members, hired workers and apprentices.

Maundu (1997) observes that the sector consists largely of independent, self employed producers in urban areas of developing countries. A common feature of the sector is that it employs family labour and a few hired workers or apprentices. The nature of work is labour intensive which is backed by very little capital.

“Productivity is low since low level of technology is utilized. It is informal in the sense that the artisans are, (for most of them), unregistered and unrecorded by official statistics. They have little or limited access to organized markets, to credit or to many public services and amenities” (p.2).

Pedersen (1996) observes that the informal activities are marginalized, operate on markets with cut-throat competition and have few possibilities to advance. The artisans rely on insufficient capital from family loans or other informal sector. They also suffer from recurrent cash flow problems due to very unstable markets.

Despite these and other problems, the informal sector continues to be a source of livelihood for many people in the developing countries. These include rural people in the developing countries who do not have land or agricultural employment opportunities, and urban residents who do not have employment in the formal sector.

The importance of the informal sector was recognized in Kenya as in many other African countries immediately after independence. However, interest in the sector reached its peak in the late 1980s. This was after realization that the formal sector failed to create the desired levels of employment and incomes.

In its *Sessional paper No. 1 of 1986 on economic Management for Growth*, the Kenya government recognized the importance of the informal sector.

“It is clear that modern sector will be unable to raise enough capital to employ more than a fraction of Kenya’s workers from now to the end of the century. Unquestionably, the majority of future non-farm job opportunities will be in the informal sector”(p.54).

The Sessional paper emphasized the need to promote information flow in the informal sector. The government proposed to disseminate information on new products and production methods to patented producers through technical secondary schools and other channels. Specifically, the government intended to encourage participants of the informal sector to form co-operatives through which they could obtain information and assistance on new technologies and access to credit.

In 1992, the government developed another policy document which stresses the importance of the sector to the country's development. *The Sessional Paper No. 2 of 1992 on small Enterprises and Jua Kali Development in Kenya* was an effort to foster economic growth, employment creation, poverty reduction and industrialization through the informal sector.

During the year 2002 general elections in Kenya, the National Rainbow Coalition Party (NARC), made a campaign pledge that it would create 50,000 jobs annually if elected to form the next government. Therefore when it won the elections, in an attempt to fulfill the election pledge, it realized the need enhance partnership between public and private sectors. *The Sessional Paper NO. 2 of 2005 on Development of Micro and Small Enterprises for Wealth and Employment Creation for Poverty Reduction* is a realization by the government of the importance of the informal sector and its ability to create the bulk of the jobs in the country.

Alila, (2001) observes that "there is currently a major focus on informal sector as a key entry point for development initiatives in Sub-Sahara Africa" (p.6).

He argues that policy-makers and practitioners are putting emphasis on enhanced growth through development policy interventions that can lead to higher level of both economic and socio-political development that is sustainable.

The government has thus realised the key role of the informal sector in combating unemployment and poverty. The informal sector has become a focus of development policies and strategies. It has been realized that if properly organized, especially by promoting the information flow, the sector holds prospects for sustainable human development.

### **2.3 Importance of Market Information to the Informal Sector**

As argued elsewhere in this paper, access to markets and marketing information is a severe constraint to the informal sector. It has been established that "Limited access to information is a major constraint to informal enterprise growth in many developing countries."

Among the various reasons why most informal enterprises fail is lack of relevant information. If for example suppliers are able to access market information relating to their products, they may be able to negotiate better rates or even sell directly to buyers. Information on inputs needed for production may also result in higher quality inputs being sourced at better rates.

Hallberg (2004) argues that 'for markets to allocate resources efficiently, all market participants must have the same relevant information' (p.7)

Without fair access to market information, there exists what Ackerman et al (2005) call "imperfect information", which 'generates uncertainties in the market' (p.21)

*Sessional Paper No.2 of 2005* describes an imperfect information as a situation where "overall demand is low, markets are saturated due to dumping and overproduction, and in

many cases markets do not function well due to lack of information and high transaction cost.” (p. 10).

Wheeler et al (2006) in their article entitled “A Survey of micro-enterprise in urban West Africa: drivers shaping the sector”, assert that there is a strong correlation between market knowledge and level of success and growth in the informal sector. They show that “lack of market knowledge and training limit access to capital (p. 458).

In the local scene, lack of market information results in a situation where MSEs still do not know where and how to access existing and relevant information. They, as a result rely on informal feedback from customers. Competition within the informal sector is thus weak due to poor product quality.

Ackermann (2005) says that to overcome such problems ‘involves the transmission of information and as such the need to reduce information costs’ (p. 21)

The flow of information is therefore at the centre of the informal sector and the basis on what development communication should be measured.

## **2.4 Development Communication and the Informal Sector**

The method of making the informal sector the main engine for economic growth is in line with development communication approach. Development communication is an organized effort to use communication processes and media to bring social and economic improvements. The field emerged in the late 1950s when there were hopes that radio and

television could be put to use in the world's less developed countries to bring dramatic progress.

Early communication theorists such as Wilbur Schramm and Daniel Lerner advocated the views that 'Mass media could bring education, essential skills and the desire to modernize'. Communication media, in the context of development is used to support development initiatives by the dissemination of messages that encourage the public to support development oriented projects. Schramm (1964) asserts that "In the service of national development, the mass media are agents of social change. The specific kind of social change they are expected to help accomplish is the transition to new customs and practices and in some cases, to different social relationships" (P.114).

These early communication theorists suggested that mass communication has an influencing effect on members of the audience both as individuals and groups. Everett Rogers, an American communication scholar introduced diffusion theory in the context of development. Diffusion was seen as a special type of communication concerned with the spread of messages that were perceived as new ideas. Modernisation was seen as a process of diffusion whereby individuals move from a traditional way of life to a different, more technically developed and more rapidly changing way of life. (Rogers 1962).

However, these early communication theorists erroneously assumed that modernisation is equal to westernization, a prerequisite for meeting human needs. Development was seen

as a top-down process whereby centralized mass media could bring widespread change. They argued that diffusion model is a vertical or one way perspective on communication and that active involvement in the process would accelerate development. The context of this approach of communication development is the post World War II that led to dozens of new, very poor countries that had been left by their former colonial masters. There was the notion that propaganda communication would lead to development. However, it has been established that the plight of developing nations has not improved despite several years of massive use of the media in the dissemination of development news.

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Recent scholars assert that 'communication for development is a systematic design and use of participatory activities, communication approaches and media to share information and knowledge among all stakeholders' (p. 1; The Point Newspaper, 2006).

The scholars assert that communication for development can be applied to all development sectors. It helps to identify and solve communication problems and improve dialogue among all stakeholders, it also helps to ensure that objectives and activities are relevant to the people's problems and capabilities. Communication for Development when used during a project formulation stage ensures that the people actively participate in problem identification.

In the Kenyan context, the informal sector is not well placed to realize the full potential of communication for development to ensure that the artisans actively participate in identifying and solving their problems. As stated in the *Sessional Paper No. 2 of 2005*,

“The major factors facing the MSEs in relation to information are its acquisition, capacity to interpret and effectively utilize the acquired information” (p. 16).

The actors in the informal sector are inadequately sensitized on their obligation and rights. As a result, they are unable to survive and grow in the competitive market. The government has been making efforts to help the artisans acquire some information. However, the efforts have been focused on ‘research geared towards increasing the development of technology’ (p. 17).

The institutions involved in the acquisition of information are not only few, they are few and inadequately funded and thus unable to address the many problems facing the informal sector. In order to address the informal sector’s information needs, the Kenya government through the *Sessional Paper No. 2 of 2005*, seeks to “improve the gathering and packaging of information in line with needs specific MSEs” (p. 34).

The government intends to encourage private sector investment in information centers for MSEs and support stakeholders’ initiatives targeting dissemination of information generated within the sector. This is a realization by the government that communication for development is a powerful tool to promote social change.

## **2.5 Participatory Communication in the Informal Sector**

Recent perspectives on development communication argue that active involvement in the process of communication will accelerate development. This newer perspective contends that communication implies participation, sharing of knowledge in a horizontal way and respect for diversity and culture. The newer approach to development communication



stresses on active involvement of the community in the process. Participatory communication for development is described as "a process by which people become leading actors in their own development" (Communication for Social Change Consortium, 2003).

Greater participation is an essential prerequisite for good governance. It is a planned activity, based on participatory process and the use of different strategies (media, interpersonal communication) to help people become aware of and articulate their position, exchange knowledge and skills to take control of their lives (p.2).

Communication for Development lies at the heart of the challenge to involve informal sector participants in the process of their own development.

"When successfully, communication for Development can be a powerful tool to mitigate poverty, hunger and to promote social change" (p.8).

The roots of participatory approaches to development communication can be traced in the early 1970s when many people in development community work started to question the 'top-down approach. This top-down approach targeted the economic growth of countries as its main goal. Development was thought to be triggered by diffusion of ideas from the west. People living in rural villages were not involved at all. 'Development' was centrally planned without any involvement or consultation with people.

Hence wrong solutions were often pumped down to communities. Centrally planning deprived people of ownership of the development plans, people became side-lined and they thus did not see the plans as their own: they just waited for others to lead the way.

It is the reaction against this approach that led to participatory approaches. The aim became to actively involve people in development processes.

In the communication sphere, "development communication was no longer the exclusive domain of the professionals. Participatory communication was ideally the by-product of participatory processes and participatory communities", (Yoon Chin Saik, *Participatory Communication for Development*, (p.3).

For development communication practitioners, communication was no longer a simple transfer of information. The question of who initiated a communication (who says what), was not as important as how the decisions were made. Communicators were no longer 'neutral movers of information but were intervening actively to trigger changes aimed at encouraging people's participation' (Yoon Chin Saik, p.3).

Hence there was an emphasis on interpersonal and traditional methods of communication that encouraged development. Large scale national communication activities were set aside in favour of street theatre, folk-songs, speeches and group activities.

This study seeks to establish the importance of participatory communication in the process of development of the informal sector. The Jua Kali artisans should be allowed

to participate in information gathering and dissemination of market information needs in the sector. They must be able to share knowledge both vertically and horizontally. Participatory communication stresses the need of empowering the informal sector practitioners to lead their own development by responding to real needs of the sector.

## **2.6 Theoretical Framework**

The literature review provides a clear recognition of the importance of information and communication to the informal sector. It particularly shows the importance of participatory communication for development. Therefore this study sought to articulate the importance of communication by basing the study on theories of Development Communication as advocated by early theorists like Wilbur Schramm, Daniel Lerner and Everett Rogers. Development Communication theories advocate for dissemination of messages that encourage the public to support development oriented projects.

### **2.6.1 Development Communication Theories**

The main concept in Development communication theories entails passing information about projects, illustrating the advantages of these projects and recommending that they be supported. Communication for development is a systematic design and use of participatory activities and communication approaches to share knowledge among stakeholders. The role of communication and participation in development is important in the endeavor to fight poverty. Communication for development can be applied to all development sectors e.g. agriculture, nutrition, health, literacy and sustainable livelihood.

It focuses on the needs of communities to contribute actively in decision making process of development as a whole. Participatory development communication enhances the distribution of information since it creates a sense of local ownership.

Schramm (1964) argues that there is "need for active participation of the people. People are asked to accept new goals, new attitudes, and new customs new responsibilities. Hence there is need for information and persuasion" (p 42).

Rogers (1962) goes further and introduces the theory of diffusion in the development context. In the diffusion of innovation theory, a message is communicated from opinion leaders to the rest of population, going through various stages, until the entire population is consumed by it. The theory suggests that for good or bad, change can be promoted rather easily in a social system through domino effect.

Modern communication development theory asserts that information becomes a catalyst for change. Development Communication is in essence, the notion that mass media are capable of creating a public atmosphere favourable to change, which is assumed indispensable for modernizing traditional societies.

It is the importance of the free flow of market information that this study seeks to advocate as a basis for the growth and development of the informal sector in Kenya.

## **CHAPTER 3**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter outlines the study methodology by discussing the study site, sample frame, source of data, data collection procedures and data analysis. The methodology section enabled the realization of this study and attaining of the laid down objectives.

#### **3.1 Selection of Kamukunji**

Kamukunji was chosen for this study because it is not only one of the oldest Jua Kali sites in Nairobi but also due to the fact that it caters for a large low income consumer market in Nairobi and its environs. Kamukunji is situated within a walking distance from the city centre and its proximity to the “Machakos” Country Bus Station makes it well connected to all parts of the country.

Kamukunji was recognized as an important Jua Kali site since 1980s and it has continued to benefit from the government’s change in attitude towards the informal sector. Due to its geographical location and also its role in creating employment and creating wealth for large number of Kenyans, Kamukunji has received a lot of support from the government.

#### **3.2 Study Site**

Kamukunji Jua Kali site is situated about three (3) kilometres from the Nairobi Central Business District (NCBD). Kamukunji lies on the eastern side of Nairobi Province and it

occupies about 10 hectares. The site has about six thousand four hundred fifteen (6,415) Jua Kali operators, of who four thousand nine and fifteen (4,915) are metal work artisans. These metal artisans are composed of two hundred wheel barrow makers, one thousand five hundred jua kali chips- jiko makers, two thousand box makers, two hundred washing basin makers, three hundred chapatti pan makers, four hundred gutter makers, three hundred sufuria makers and fifteen "taribo" makers.

### **3.3 Sample Design and Sampling Procedure**

Primary data was gathered using questionnaires and by discussing with the Chairman of the Kamukunji Jua Kali Association. The researcher set out to interview an optimum sample size of 50 owners of jua kali enterprises. This sample size was arrived due to high cost of interviewing. The researcher was directed to the Chairman of the artisans before any interviews were conducted. Through discussions and verification, it was estimated that there were about 4,915 metal work artisans in the area as per the records of the Chairman of the Kamukunji Jua Kali Association. These artisans made different kinds of metal products that were put into 8 different categories as follows:

- 1) Wheel barrow makers
- 2) Jiko makers
- 3) Box makers
- 4) Washing basin (karai) makers
- 5) Chapati pan makers
- 6) Gutter makers
- 7) Sufuria makers and 8) Taribo makers.

With the assistance of the Chairman, the researcher established the number of artisans who produced items in each category identified. Using this information, ratios were worked out to determine the number of respondents per category of metal artisans. The sample size of 50 respondents was thus determined with probability proportional to the number of artisans in each category. Among the selected were 2 wheel barrow makers, 11 jiko makers, 15 box makers, 2 washing basin makers, 2 chapatti pan makers, 3 gutter makers, 5 sufuria makers and 2 "taribo" makers. Systematic random sampling with a random start point was then utilized to select enterprise owners in the area. The figure below summarises the distribution of the sample:

**Table 3.1 Distribution of the Sample**

Business Type	Total Number of Artisans in the site	Number Interviewed
Wheel barrows	200	2
Jikos	1,500	11
Boxes	2,000	15
Washing basins ( <i>karais</i> )	200	2
Chapati pans	300	2
Gutters	400	3
Sufuria	300	2
Taribo	15	2
<b>TOTAL</b>	<b>4,915</b>	<b>50</b>

Systematic random sampling with a random start point was then utilized to select respondents. The researcher randomly selected one artisan from one category, then administered the questionnaire, noting in a note book the category selected. He then proceeded to the next artisan also noting the category. This procedure was repeated ensuring that the initially determined number of artisans per category was interviewed as per the schedule.

### **3.4 Types of Data**

Both qualitative and quantitative data was utilized in this study. Details of composition and type of metal work related enterprises in Kamukunji was obtained from a face to face interview with the Chairman of the Kamukunji Jua Kali Association. Market related information needs and the artisans' participation in the process of information dissemination was collected through interviewing of the Jua Kali artisans. Only the owners of metal work related enterprises were selected.

To achieve the ultimate aim of this study, it was deemed important to design a questionnaire to standardize data collection procedures and consistency. The questionnaire design process started with a desk study that involved review of literature from relevant materials.

The questionnaires were administered to each of the fifty owners of metal work related artisans. The questionnaires were administered to the respondents within a period of seven days. The emphasis of the questionnaire was on methods of information dissemination process and on participatory concern of this process. The questionnaire has been attached as appendix 1.



### **3.5 Sources of Data and Data Collection Methods**

The data for this study was obtained from both primary and secondary sources: reading the existing written materials on the informal sector in Kenya and on development communication and importance of market information to the informal sector. This involved a review of secondary data from policy documents, research reports and other materials from various sources including the internet. Primary data was collected through interviewing Jua Kali metal work artisans in Kamukunji, Nairobi. The Kamukunji Jua Kali metal workers in Nairobi constituted a universe of this study. By first identifying the Chairman of the Kamukunji Jua Kali artisans, the population size of the artisans was established. A sample of 50 Jua Kali Jua artisans were selected by working out a representative ratio as described above.

### **3.6 Data Analysis, Interpretation and Presentation**

After administering each of the fifty questionnaires to different respondents, each questionnaire was given a number, from number 1 to 50. Thereafter, the researcher went through all the questionnaires to ensure that all sections had been complete properly. After this editing was completed, the coding process began. This involved giving a different code to various sections in the questionnaire, for example giving a code to questions giving information on respondents' background, a code for questions on market related needs and so on till all questions, both structured and unstructured, were coded. After the coding, data was entered in a computer and data processing was done using

Statistical Package Social Sciences (SPSS). Data was grouped as per the codes given to enable processing and tabulation.

Through use of SPSS programme, descriptive and inferential statistics was used to summarise data and infer sample results to the population. Percentages and tables were used for describing differences between variables and for easy comparability.

## **CHAPTER 4**

### **Factors Influencing Access and Flow of Market Information**

#### **4.1 Introduction**

This chapter analyses the factors that influence access and flow of market information within the Kamukunji Jua Kali Metal workers in Nairobi. In Kamukunji, one finds many types of metal work businesses. For example there are scrap metal dealers, metal cutters and folders and metal product manufacturers. Metal product manufacturers are the most important and are classified on the basis of the products they make. Some of the products they produce include wheelbarrows, chaff cutters, boxes, frying pans, washing basins and ploughing implements like jembes.

The Kamukunji jua kali artisans work in an area characterized by poor infrastructure and substandard architectural sheds that are located close to each other. Some artisans share one shed and these shared sheds may house as many as three different entrepreneurs. However, it was established that this proximity of the artisans did not necessarily ease access of information among the artisans, neither did the proximity help the artisans to get relevant market information. Instead, the artisans usually compete against each other to get information at the expense of each other.

#### **4.2 Marketing Information Needed by the Artisans**

After administering the questionnaires, it emerged that 42% of the respondents said that the most important marketing information need that they have is knowledge of source of affordable raw materials. This need is then followed by knowledge of the prevailing selling prices for the finished commodities (22%). Third in importance is the knowledge

of available ready markets (20%), then the need to know the fast moving commodities (4%) and knowledge of modern designs and innovation (2%) follow in that order. From this information, it can be inferred that market information is not easily accessible and that the artisans are forced to buy raw materials at exorbitant prices if they are not ready to incur the high price of looking for information. Apart from information on sources of raw materials, information on where to sell and at what prices is important. This knowledge is crucial and it determines the success or failure of the business. However, this information is not easily available for the artisans.

Table 1 below summarises the market information needs as listed by the respondents:

**Table 4.1: Market Information Needs**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No answer	5	10.0	10.0	10.0
Availability of ready markets	10	20.0	20.0	30.0
Source of raw materials	21	42.0	42.0	72.0
Fast moving goods	2	4.0	4.0	76.0
Modern designs/innovations	1	2.0	2.0	78.0
Prevailing selling prices	11	22.0	22.0	100.0
Total	50	100.0	100.0	

From the study, it emerged that artisans require immense knowledge to facilitate their decision-making in production and to know the sources of affordable raw material is very important for the artisans. Knowledge of the prevailing selling prices is also relatively important. This type of knowledge helps the individual artisans to have a competitive

edge over others. Acquiring information in the informal sector is not an easy task, it is rough, expensive and tough exercise.

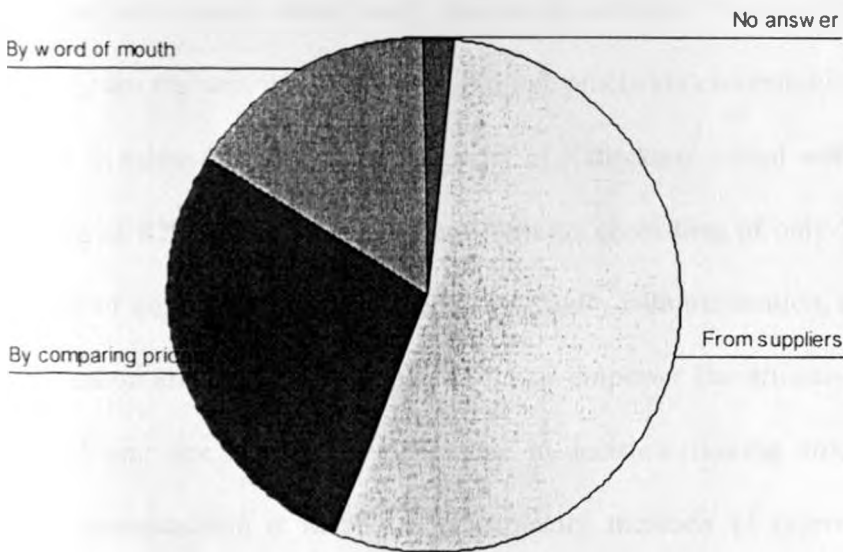
The difficulty in accessing marketing information was corroborated in the study by 38% of the respondents who indicated that their major marketing problem is lack of ready market, while 30% of the respondents said that their main problem was high prices of raw materials. Another 10% of the respondents said that their biggest marketing problem was lack of funds to advertise. Only 2% of the respondents said that their main problem emanated from the low quality of commodities due to lack of proper equipment.

#### **4.3 Sources of marketing Information for the artisans**

In line with the objectives of this study, it was established that many artisans in Kamukunji do not know where and how to access existing relevant marketing information. When the respondents were asked where they received their market information from, more than half indicated that they relied on suppliers while another portion got information by comparing prevailing prices. Analysis showed that 2% of the respondents did not have an answer as to their source of information, 16% said that their source of information was by word of mouth, 28% said that they got information by comparing prices while 54% said that they received from suppliers. From this it can be inferred that the respondents do not get the necessary market information and those who get any, this is not sufficient and they get it at high costs. For example, the respondents who rely on suppliers to get information, they do not have sufficient information to make

informed decisions, they have to rely on this information since they do not have alternative sources. Those who get information by comparing prevailing prices either get it at an expense of time which would have been used for other work. The following pie-chart graphically summarises the responses from the artisans:

**Figure 4.1: Sources of information**



It is therefore evident that majority of the artisans rely on informal feedback from customers. These informal sources do not give very relevant and accurate information and as a result, the artisans encounter many marketing problems. The study found out that 38% of the respondents' marketing problems emanate from lack of ready market, 30% said that their marketing problems emanate from high prices of raw materials, 10%

that their marketing problems are due to lack of funds to advertise their commodities. Lack of adequate business space constitute 8% and 2% was attributed to low quality products due to lack of proper equipment.

#### 4.4 Characteristics Of Kamukunji Jua Kali Metal Businesses

This study established that the jua kali metal businesses are small scale in orientation where majority have between 1 and 5 employees. These businesses are located close to each other with some sheds being shared by different business owners. Most of the employees are trainees who are taught through practical demonstrations.

As noted in table 4.2 below, that majority of Kamukunji metal work artisans are males, consisting of 82% (41 respondents) and females consisting of only 18% (9 respondents).

This kind of composition is ideal for participatory communication, an interactive vehicle for discussion and decision making which can empower the artisans. It easier to mobilize people of one sex to actively participate in decision making processes. Therefore the artisans' composition is ideal for participatory methods of information gathering and dissemination.

**Table 4.2: Gender composition of the respondents**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	41	82.0	82.0	82.0
	Female	9	18.0	18.0	100.0
	Total	50	100.0	100.0	

The artisans have invested little initial capital, ranging from as low as K.shs. 500/- (2% of the respondents). One respondent however indicated that he invested an initial capital of K.shs. 520,000/-. Table 3 below shows that majority of the respondents indicated that their initial capital was through savings:

**Table 4.3: Source of initial capital**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No answer	2	4.0	4.0	4.0
support from parents	10	20.0	20.0	24.0
Savings	32	64.0	64.0	88.0
Loan	5	10.0	10.0	98.0
Reirement benefits	1	2.0	2.0	100.0
Total	50	100.0	100.0	

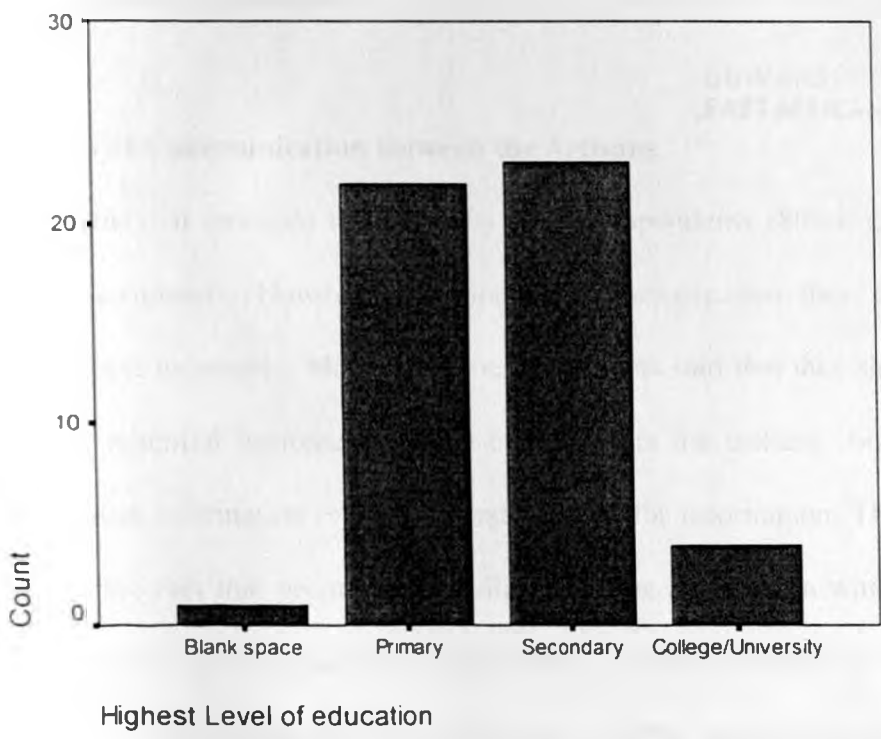
Given the low levels of investment in terms of initial capital and also due to the artisans' biggest problem of lack of ready market, it is evident that the artisans need to get more market information and yet they can not afford. The artisans are engaged in a continuous search for information pertaining to raw materials, customers and markets. These artisans require a lot of marketing information which of necessity facilitates their decision-making processes. Market information helps the individual artisans to be innovative and thus have a competitive edge over the other artisans. But the information does not come easily for the artisans, it comes out of self-initiatives, trial and error, leading to frustrations and wastage of time and money.

Another characteristic that was observed is that the artisans are a mix of individuals with varying education levels, with majority being secondary and primary school leavers and



very few graduates from the universities. These relatively low levels education mean that the artisans out necessity, require a great deal of costing and pricing skills. They also require more information on credit facilities and saving management skills. It can also be inferred that due to the varying levels of education among the artisans, there is now smooth flow of information between the artisans. The following graph is a reflection of the respondents' level of education:

**Figure 4.2: Level of education**



The study also established that: 66% of the respondents belong to the Kamukunji Jua Kali Association. Out of these artisans, 10% thought that the association members did not have any advantage over non-members. However, 14% of the members said that the association helped the artisans to market their commodities by organizing for displays at

exhibitions. Another 14% of the respondents said that the association helped the artisans to get recognition from the government and non-governmental organizations. Some respondents said that the association assisted mostly in welfare related matters for example during bereavement (12%) and only 6% said that the association helped members to get loans. This implies that the respondents do not collectively take part in decision making neither in the gathering of market information. The Jua Kali welfare Association is ideal vehicle through which participatory process can be used to bring relevance of market information gathered by members. The welfare can also be used to gather appropriate information.

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#### **4.5 Modes of Communication between the Artisans**

From the study, it emerged that majority of the respondents (80%), share information with their customers. However, the mode of communication they use is both time consuming and expensive. Majority of the respondents said that they shared information by visiting potential customers. It also emerged that the artisans' biggest problem in getting market information is lack of funds to look for information. The second biggest problem is the fact that people are unwilling to share information while another related problem is that people give false information. Another problem is that information gathering is a time consuming effort. Therefore it can be inferred that access and flow of information in the sector is daunted with numerous problems that need to be solved if the sector is to effectively play the important role it is expected to play in the economy.

The study also found out that even communication from the Kamukunji Jua Kali Association was not very interactive. Most of the respondents (32.25%) said that communication from the Association is in form of posters, 29.03% said that the Association uses meetings to communicate to its members; another 25.80% said that letters are used to communicate. Use of word of mouth (9.67%) and visits to the offices (3.2%) are the other methods of communication used by the Association. In this age of information technology, these methods of communication are not very effective and are expensive and time consuming and should be improved.

The communication from the Association to the members was found to be infrequent. The study found out that 61.29% of the respondents thought that communication from the Association comes after more than six months while 19.35% of the respondents said that communication from the Association to members is once in a month. The respondents were almost unanimous that market information is very important to the artisans. Eighty two percent (82%) of the respondents said market information is very important to them, another 12% said that market information is important. Only 4% of the respondents said that this kind of information is not very important to them. It came out clearly that there is need for participatory methods of communication to be introduced in the sector. This will empower the artisans and also broaden the range of people with access to market information. The information gathered in an interactive manner will not only be adopted faster but will also be of greater relevance.

It was also evident that more of the communication in the Association happens between the members than from top managers to members i.e. 'vertical', as the following table shows:

**Table 4.4:**

**New skills are communicated to members as**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not applicable	17	34.0	34.0	34.0
	From top managers to members	5	10.0	10.0	44.0
	From ordinary members to ordinary members	19	38.0	38.0	82.0
	Rarely do members share information	2	4.0	4.0	86.0
	Sometimes information is shared between members	1	2.0	2.0	88.0
	Sometimes information starts from ordinary members	6	12.0	12.0	100.0
	Total	50	100.0	100.0	

The scenario reflected by these findings, indicate that there is potential for horizontal participatory communication as advocated by recent perspectives on development communication. As stated earlier in this study, participatory communication implies participation and sharing of knowledge horizontally. This type of communication in the sector is non-existent in the sector but there is potential for it.

## CHAPTER 5

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### 5.1 Overview

This chapter discusses the factors that influence the access and flow of market information within the Kamukunji Jua Kali Metal workers in Nairobi, Kenya. The analysis is based on fifty Jua Kali metal workers who were selected for in depth interview on access and flow of market information within the workers. More information was obtained from officials of the Kamukunji Jua Kali Association.

The History of Kamukunji Jua Kali cluster dates back to the colonial government when the area was designated as a business sector for Africans. In those days, the area evolved as a place for micro and small businesses that were commensurate with the African consumption patterns of that period. During the pre-independence period, Africans did not have many sources of income apart from the wages they earned by working for the colonialists or the Asian business people. As such, the Africans did not have much purchasing power. After Independence, the cluster became an access pool of immigrant labour characterized by low levels of education. There was an influx of immigrants from the rural areas who flocked the city in search of jobs. Majority of these people were either illiterate or semi-illiterate. During the first two decades of Kenya's independence, the government did not fully support the Kamukunji Jua Kali Cluster and the artisans were subjected to constant harassment by the Nairobi City Council authorities.

Kamukunji cluster started to benefit from the government when the new thinking and policies as reflected in the Sessional Paper No. 10 of 1986 started to be implemented.

Before that period, the ILO had in 1972 recognized the important role that the informal sector played in the economy. ILO had found out that the biggest social problem was not unemployment but the existence of a great number of poor workers who produce goods and services while their activities are not acknowledged, registered or protected by the state. The Kenya government later on recognized the importance of the cluster to the urban and national economy and it facilitated the construction of sheds for the artisans who before then worked under hot sun and hence the origin of the term “Jua Kali”, meaning hot sun.

## **5.2 Cost of Gathering Information**

Findings of this study showed that most of the Kamukunji Jua Kali Artisans are small scale entrepreneurs whose initial capital is as low as K.shs.500/- (five hundred) which is equivalent to about eight dollars (\$8). Though two respondents said they had invested more than K.shs.400,000/- (four hundred thousands), majority of the respondents, (14.3%) said that they had invested K.shs.5000/- (five thousands). Another 12.2% said that they invested K.shs.2000/- (two thousands).

It is thus evident that the artisans can not afford to gather or disseminate information properly. This is because information is costly to obtain as it needs substantial time, effort and financial commitment. It was noted that majority of the artisans rely on very few people who serve as trainees as well as assistants. They thus depend on themselves to source for raw materials, work on the materials to produce the particular goods, look for

market and sell. The artisans rely on self-initiatives, hard work and co-existence with each other to gather market information. These methods are not only unreliable: they are also expensive in that they are time consuming. The information gathered in this manner is not very accurate and thus not very useful. Modern communication theory advocates for information to be a catalyst for change. The access and flow of information, particularly market information should not be a hurdle to the artisans. It should not be a self-initiative rather it should be a participatory process. Greater participation is an essential prerequisite of good governance by interest groups that want more say in policy development and implementation. Thus development communication is a notion that may be seriously be considered for use in the informal sector to bring positive change.

Another reason why information for the artisans is costly is the characteristics of the products. Majority of the products are not for every day use, rather they are a one-off purchase which makes their procurement process more information-intensive than the regularly used goods. The artisans do not have resources and time to provide sufficient information to their customers and they therefore tend to rely on middlemen or intermediaries to provide information. Theories of communication for development assert that there is need for passing information. Communication for development is a systematic design to share knowledge among stakeholders. The artisans should be assisted to pass information about their products and thus avoid the unnecessary middlemen. Communication for Development encompasses use of different media and approaches e.g. folk media and traditional social groupings, rural groupings, rural radio for community development and other multimedia modules. Modern information

technology for example use of mobile phones and the internet should be designed to help to advertise the artisans' products.

### **5.3 Sources of Information**

The respondents in this study said that they mostly rely on their suppliers and customers to get market related information. Information emanating from the Kamukunji Jua Kali Association is more of welfare than of market related thus rendering it not very useful for the jua kali industry. Therefore, the artisans do not have a reliable and authoritative source of market information. Schramm, (1964), contends that mass media are agents of social change and therefore there is need for government policy makers and other stakeholders in this sector to use welfare associations and other media to disseminate market information to the artisans. Rogers (1962), advocates the theory of diffusion in communication development. His diffusion theory is applicable in the informal sector where the welfare associations should be used as source of relevant and appropriate market information in the sector. This information should then be diffused to the rest of the members, going through various stages until the entire membership receives and adopts it.

### **5.4 Medium of Communication among the Artisans**

As portrayed by Figure 1 (page 36), the major medium of communication among the artisans is through the word of mouth. It was also established that communication from the Kamukunji Jua Kali Association is in form of posters, letters and through visits to the association offices. Only two respondents said that mobile phones are used as a



communication channel among the artisans. Although the message is more important than the process of communication, in this information age, it is imperative that information technology in the sector is improved to enhance the artisans' capacity to overcome trading barriers like lack of relevant market information. Schramm's model of communication stresses the importance of feedback process in communication. The methods of communication that the respondents said they use do not have an effective feedback process. Feedback in communication is important because it tells the source of information how the message is being received and interpreted. Thus newer and more interactive medium of communication should be put in place.

### **5.5 Pattern of Communication among the Artisans**

The results of this study indicate that participation and sharing of information in a horizontal way was relatively more prevalent than communication in a vertical manner. More than half of the respondents (57.15%) said that information is usually from ordinary members to other ordinary members, another 18.18% of the respondents said that mainly information starts from ordinary members who inform the top managers. A slightly smaller number of respondents, (15.15%) said that information starts from top managers to ordinary members. Communication for Development theory states that the role of communication and participation in development is very important. This entails a systematic design and use of participatory activities, methods and media to share information and knowledge among all stakeholders. Participatory communication theorists suggest that information technology should be used as a tool to empower communities by putting people at the center and appropriation of communication

processes. Therefore patterns of communication should abandon vertical development paradigms. They should respond to the real needs of people and use appropriate technology. Patterns of communication should focus on networking at the grassroots and ensure that the artisans are included. This is due to the fact that information alone does not generate change, whereas communication, which implies participation, sharing of knowledge in a horizontal way is key to social change.

## **5.6 Recommendations**

Knowledge and information are essential for people to respond successfully to the opportunities and challenges of life and therefore in the informal sector where there are numerous social and economic challenges, this need can not be over emphasized. Market information is necessary to help to improve the artisans' productivity. However, useful knowledge and information must be effectively communicated to the artisans. For example, if the artisans are able to access market information relating to their products, they will be able to either negotiate better rates or sell directly to buyers instead of using middlemen or intermediaries. Information may also be obtained about required inputs for the artisans' product and this can result in higher quality inputs being sourced at better prices.

This study suggests how the artisans' cost of information may be tackled in the informal sector. One way would be through direct government intervention in market information gathering and dissemination. Respondents said that they did not perceive any direct government role in their businesses, instead they are suspicious of the government policies. The government can help to create bigger markets for the artisans by promoting

product innovation and building institutional capacity. The suspicion between the artisans and the government officials may be eliminated by employing participatory methods to empower the artisans and giving them have more say in policy development and implementation.

Despite the fact that the government has changed its attitude towards the informal sector, it has not given enough support to jua kali entrepreneurs especially on knowledge and technological as well as in market information related needs. The informal sector is still faced with a problem of lack of information on existing technologies and their potential for increased trade. The government can assist the informal sector by improving the artisans' accessibility to credit facilities. Direct government intervention in this way can lead to a situation where risks and transaction costs of lending to the informal sector business people are reduced. As a result, there would be an increased capacity for the financial institutions to serve small scale clients thus increasing competition in financial market. A scenario like this has already started to be witnessed by the entry of the Equity Bank in the proximity of Kamukunji Jua Kali sheds. More established banks like Barclays have followed suit and are opening branches in the area. This competition will lead to more money available to the artisans and thus they will be able to afford the gathering and dissemination of information.

For example, with availability of more money, the artisans will be able to access market information related to their products, they will be able to negotiate better rates with the intermediaries or sell direct to buyers. With reduced cost of information, there will be an incentive for the artisans to invest in modern communication technology like use of

mobile phones and internet for their trading purposes. As noted in this study, the artisans rely on traditional means of communication like use of posters and word of mouth. More use of mobile phones will allow the participants in the business to verbally communicate information at speed, cheaply and without geographical limitations.

Globally, there has been dramatic acceleration in the development and use of information and technology in the world and there is need for informal sector to benefit from this change. Information technology has been used to help break the vicious circle of poverty and therefore if the artisans are encouraged to embrace information technology through reduced cost of production, the informal sector will develop significantly.

Though most of the respondents did not rate highly the usefulness of the Kamukunji Jua Kali Association in their business operation, the association was a result of a government initiative. The association was created to serve as the main platform for encouraging interaction between the artisans and the government. For example, it was meant to serve as an avenue through which government would communicate its policies to the jua kali entrepreneurs. Some of the joint efforts include organization of trade exhibitions that the respondents referred to during the interview.

The study recommends that there is need to encourage the jua kali artisans to enroll as members of the associations which should play a dual role of being a welfare organization as well as serving as a vehicle through which market related information is passed to the artisans. The artisans should be encouraged to participate fully in these associations which should adopt participatory management procedures.

The government should for instance take advantage of the existing Jua Kali associations to act as vehicles through which knowledge and technology is transferred to the artisans. Through the association, it would be possible to coordinate market information needed by the artisans and also coordinate transfer of appropriate technology. Different government institutions like Kenya Industrial Research Development Institute (KIRDI), National Council of Science and technology (NCST), Kenya industrial Estates (KIE) and Kenya Bureau of Standards (KEBS) would find it useful to penetrate into the informal sector through the associations which already serve as centres for collective learning where information is sourced and shared in a horizontal manner. Government policies will also be communicated effectively through this media.

Advocates of participatory management practices have shown that greater participation is a prerequisite for good governance and it makes the participants to listen and get to know each other more easily. Participation encourages people to initiate, discuss, conceptualize and plan activities together thus acquiring full ownership of these plans. It creates a sense of partnership which in turn enhances information sharing and distribution.

The study established that in the Kamukunji Jua Kali Association, horizontal method of communication is more prevalent than vertical communication. This communication pattern should be encouraged since it is in line with the theory of participatory communication for development. The theory puts people at the centre of decision making process thus empowering them to lead their own development. By empowering the

associations, the artisans will be able to take control of the process of acquiring and disseminating market information needs.

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Personal Background Information

- 1. Name (Last, First, Middle) \_\_\_\_\_
- 2. Address \_\_\_\_\_
- 3. Telephone \_\_\_\_\_
- 4. E-mail \_\_\_\_\_
- 5. Type of school of education \_\_\_\_\_

Business Background Information

- 6. Are you a formal, semi-formal or informal sector entrepreneur? \_\_\_\_\_
- 7. If this business is your main one? \_\_\_\_\_
- 8. If not, what is your main one? \_\_\_\_\_
- 9. If not, what is your second one? \_\_\_\_\_

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- 10. If you are a formal entrepreneur, what is your business? \_\_\_\_\_
- 11. How long has your business been in operation? \_\_\_\_\_
- 12. How many employees do you have? \_\_\_\_\_
- 13. How much turnover do you have? \_\_\_\_\_

Market related Information Needs

- 14. Please tell me how you get marketing related information e.g. where to get market prices of raw materials? \_\_\_\_\_
- 15. What marketing information do you usually require for your business? \_\_\_\_\_
- 16. \_\_\_\_\_
- 17. \_\_\_\_\_
- 18. \_\_\_\_\_

APPENDIX 1

Field Questionnaire

**1: Personal Background Information**

- i) Respondent's Name :(optional) \_\_\_\_\_
- ii) Gender: \_\_\_\_\_
- iii) Age in Years: \_\_\_\_\_
- iv) Highest level of education: \_\_\_\_\_

**2: Business Background Information**

- i) Kindly tell me, when did this business start operating? \_\_\_\_\_
- ii) Is this business a partnership?
  - i. YES | |
  - ii. NO | |
- iii) If yes, how many people own it? \_\_\_\_\_
- iv) Please tell me about how much have you invested in this business? \_\_\_\_\_
- v) Kindly explain how you raised the initial capital to start this business. \_\_\_\_\_
- vi) How many employees do you have? \_\_\_\_\_

**3: Market related Information Needs**

- i) Please tell me how you get marketing related information e.g. where to get lowest prices of raw materials? \_\_\_\_\_
- ii) What marketing information do you mostly require for your business?
  - a) \_\_\_\_\_
  - b) \_\_\_\_\_
  - c) \_\_\_\_\_

iii) Are you able to easily find the necessary market information?

a) YES [    ]

b) NO [    ]

iv) If your answer is NO, what problems do you encounter while trying to get market information?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

v) Do you relay any information to your customers?

a) YES [    ]

b) NO [    ]

vi) If your answer is yes, what means of communication do you use to communicate to them (customers)?

\_\_\_\_\_

vii) What problems do you get while trying to market your commodities?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

d) \_\_\_\_\_

e) \_\_\_\_\_

viii) What do you think can be done to solve these problems? \_\_\_\_\_

#### 4. BUSINESS ASSOCIATION INFORMATION

i) Do you belong to any association that supports your business?

a) YES [    ]

b) NO [    ]

ii) If your answer is YES, what is the name of the Association? \_\_\_\_\_

iii) Who is eligible to be a member of the Association? \_\_\_\_\_

iv) How does the Association help you to market your products?

- a) \_\_\_\_\_
- b) \_\_\_\_\_
- c) \_\_\_\_\_
- d) \_\_\_\_\_

v) Which are the methods that are used for communication between the Association and the members?

- a. \_\_\_\_\_
- b. \_\_\_\_\_
- c. \_\_\_\_\_

vi) How frequently do members get communication from the Association?

- a. Once a week |   |
- b. Once in two weeks |   |
- c. Once a month |   |
- d. Once in six months |   |
- e. Other|   |

vii) What advantages do members of the Association enjoy, as opposed to the non-members, as far as market information is concerned?

- i) \_\_\_\_\_
- ii) \_\_\_\_\_
- iii) \_\_\_\_\_
- iv) \_\_\_\_\_

viii) How do you utilize the market information you gather from the Association?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

ix) How do you rate the importance of market information to the growth of your business?

a. Very important. [    ]

b. Important. [    ]

c. Not very important. [    ]

d. Not relevant to growth of the business. [    ]

x) Please explain the choice of answer to the above question.

\_\_\_\_\_  
\_\_\_\_\_

xi) Are the members encouraged to exchange knowledge and new skills among themselves?

a. YES [    ]

b. NO [    ]

xii) If YES, how do they do this?

1) \_\_\_\_\_

2) \_\_\_\_\_

xiii) From your experience, market information and new skills are communicated to members through these methods: [1= strongly agree, 2= agree, 3=strongly disagree, 4= disagree]

- a. Always from the top managers to members and never from members to managers. [    ]
  - b. From top managers to members who then share it among themselves. [    ]
  - c. From ordinary members to other ordinary members. [    ]
  - d. Rarely do members share any information on market or new skills. [    ]
  - e. Sometimes information is shared between top managers and ordinary members. [    ]
  - f. Sometimes information starts from the ordinary members who inform top managers. [    ]
- xiv) When a major decision that affects members has to be made:  
[1=strongly agree, 2=agree, 3=strongly disagree, 4=disagree]
- a. Members are only informed by managers. [    ]
  - b. Members are allowed to deliberate before the decision is made. [    ]
  - c. Members would prefer to discuss among themselves but are not given a chance. [    ]
  - d. Members think that it would take a very long time for decisions to be made [    ]
- xv) Kindly tell me what else you think I should know about your business or about jua kali.
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