THE ROLE OF URBAN COMMUNITY MARKETS IN SERVICE PROVISION AND THE PLANNING IMPLICATIONS: A COMPARATIVE CASE STUDY OF KENYATTA, GITHURAI AND STAGE MARKETS IN NAIROBI.

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DECLARATION

This thesis is my original work and has not been presented for a degree in any other University.

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DEDICATION

This thesis is dedicated to my beloved mother, Joyce Wangeci and my late Grandfather, Nderitu Maranga who have and will always be my inspiration.
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While I recognize the contribution of all the above people I remain responsible for the personal opinions and analysis that follow in this study.
ABSTRACT

The problem of unplanned urban community markets and how to accommodate the physical and functional growth of the planned markets has continued to be a thorny issue in urban planning. The availability of an acceptable site of operation is a precondition for compliance with various statutes relating to business operations. The study is an attempt to analyze the factors behind the location, spatial spread and the roles played by both formal and informal markets with specific reference to Kenyatta, Githurai and Stage Markets.

The study has assessed the factors influencing the operations and development of the various enterprises within the markets. The general background to the study reveals that the present state of markets in Nairobi is a result of a number of interrelated forces ranging from the political, socio-economic, personal to legal setting. The study has also analysed the social and economic roles played by the urban community markets with special reference to the three markets. The major roles that these markets play include among others employment and provision of services to the urban communities where they are located. The study takes note of the current trend of upcoming urban community private market outlets as a result of the failure of local authorities to provide and maintain the public community markets. The recommendations proposed to the study have taken into consideration these forces.

Some of the obstacles hindering optimal operation of the markets include unfavorable institutional and legal framework, lack of necessary infrastructure, inadequate finances and inaccessibility to customers. The major goal of the study is to assess the development and operations of the markets under study and the planning implication. This is done in order to evolve planning recommendations that will ensure that the markets sufficiently serve the neighbourhood communities while at the same time sustain their social, economic and environmental functions.

Some of the areas the study makes recommendations on include the legal and institutional framework whereby the study advocates a partnership model involving all stakeholders. This has been done based on the fact that there exist weak coordination between the
entrepreneurs, the planning authority, micro financial lenders and the Department of Housing and Social Services. The study also recommends the review of the existing legal framework to encompass policies and regulations that conform to the current socio-economic situation. The study further recommends the need for a detailed analysis before establishment of any market outlet. The detailed analyses must involve all the stakeholders in order for the market outlet to be sustainable.
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ABBREVIATIONS

NCC  Nairobi city council
ILO  International labour organization
ICDC  Industrial commercial development corporation
NPEP  National poverty eradication plan
UNDP  United nations development programme
ESAP  Economic structural adjustment programmes
UNCHS  United nations centre for human settlement
NDP  National development plan
NMGS  Nairobi metropolitan growth strategy
RoK  Republic of Kenya
CHAPTER ONE
INTRODUCTION

1.0 Introduction
The market place is one of the most important community institutions in the world. In Africa the market continues to have enormous role as an economic and social institution. Its place and importance in terms of trade, economic and as a forum for social intercourse are fundamental in socio-economic development. In pre-colonial Africa the markets were organized at two levels. These were intra-community and inter-community levels. The two levels of markets existed within each ethnic group and were meant to facilitate trade of locally produced goods. Inter-community markets operated between two or more neighbouring ethnic groups such as between the Kikuyu and the Maasai. These markets were usually located along the borders of the communities concerned to facilitate accessibility. The management of the markets was done by elected elders from the communities who supervised trade that were predominantly in form of barter. For the case of the Kikuyu and Maasai, the goods for trade were mainly cattle for the Maasai and agriculture produce for the Kikuyu. The market was organized in a way that the cattle were held on a specific area away from the agriculture produce. This was done in order to ensure minimal conflicts arose amongst the different traders.

Other types of inter-community markets that existed in pre-colonial Africa included:

i) Specialized commodity market, which was a form of inter-community market that occurred at places where an essential non-ambiguous item was available. People met at a general site and had an organized form of toll collection. For instance there were specific areas where commodities such as salt lick for cattle were found. Community owning such a commodity could charge fee for the use of the commodity.

ii) Trade route markets developed along major caravan routes that were used by non-African people from the coast. These markets emerged during slave trade and the construction of the railway line.
iii) Urban markets that were generally found along coastal towns and they operated daily to provide foodstuffs and services to the urban population. (Wood, 1974).

A market formed an integral part of the African society for the role it played. Through the meetings and exchange of goods the market served a social function. The market provided an arena where people got time out of their usual daily activities to socialize and enlighten each other on any new development. Inter-community markets encouraged transfer of traditional skills. For instance, the Kikuyu learnt wood curving skills from the Kamba while in exchange they learnt farming methods from the Kikuyu community.

Berry (1974:1) defined market places as sites with social, economic, cultural and other referents where there are numbers of buyers and sellers and where prices offered and paid in each is affected by the decisions of others. A market is therefore a system that produces self-regulating prices. The prices in turn are the mechanism connecting individual choice and action. A buyer will always opt for a seller offering the lowest price for the same commodity.

Accessibility is a fundamental factor to consider when planning for markets. Buyers and sellers want a site allowing them to carry out their business transactions with minimum inconveniences. When planning for community markets attention must be paid to the function, operation and management of the activities at the market.

1.1 Rural Markets
Planning for rural markets would require a different concept and site layout from a market serving an urban community. In an extensive review of the origin of traditional markets in sub-Saharan Africa, it was concluded that external trading contracts with alien populations were necessary for the development of permanent market institutions. It was also suggested that the presence of population densities of over about 20 persons per Km² and a form of strong political control were also probably necessary for market development. The extent of these necessities is debatable (Wood, 1974).
In Kenya most markets in rural areas were established in the administrative centres. The rules of control of township markets were laid down in the East Africa Township ordinance of 1903. Hawking in townships that had markets was forbidden. The markets had specified times of opening, procedures of collecting market fees. The markets were located on sites that had layout plans. In Nairobi the ordinance was applied in 1904 and standard rates were established for the use of stalls in markets. The rural markets were never regulated until 1924 when the local native councils that are nowadays county councils were set up. The County Councils are in charge of opening and running of rural markets.

Most rural markets, today are under County Councils. Their operations are usually periodic, they operate on specific days of the week. Most of the goods traded in these markets are Agricultural based with a mixture of second-hand clothes, shoes and cutlery. Most of these markets are organized on Sub-location and Location levels such that each market has its specific days that do not coincide with the other market on another Sub-location or Location. The traders display their goods on the floor and in most markets there is no specific area for any one particular trader.

County Councils collect their revenue at the gate depending on the type of goods being sold and the size of the luggage. However due to the limited space in the enclosed area of the market most traders sell non-consumable goods outside the defined area of the market. This complicates the revenue collection procedure and also causes conflict between other land users such as pedestrians, formal commercial activities and motor traffic. Other minor rural markets do exist in almost all market/shopping centres in rural areas. These are usually organized at village levels and the County Councils collect no revenue from them.

1.2 Urban Markets
The goods and services offered in urban markets are more diversified and usually have higher economic value. The type of goods sold in the markets include Agriculture produce, clothes, new and old shoes, cutlery, stationery and some electronic consumer
goods. The services offered in these markets include tailoring, welding, hairdressing, food restaurants and repair works. The demand and economic threshold of goods offered in urban community markets is higher than that of rural markets. During the early planning of Nairobi city, the urban public community markets concept was part of residential estates and neighbourhood development. Markets were planned for like any other community service within the neighbourhood unit concept. Land was always zoned off for this purpose and necessary infrastructure laid down (Kingoriah 1980). This has been the trend until the early nineties when the Nairobi City Council stopped constructing community markets. However due to certain factors such as limited financial resources within the councils, illegal allocation of public land and market forces at play the council no longer provide housing. The concept of neighbourhood markets has become non-existence.

The private sector has emerged to bridge the gap by accessing services and goods to certain groups of people. The urban private community markets are different from the public community markets. This is in reference to their functions. The private markets are profit-oriented meaning that the management focuses on the economic function unlike the former public community markets that were meant to serve both the social and economic function. These markets are also better served with infrastructure facilities and are well maintained. Trading activities are arranged in an organized and compatible manner while public access is adequately catered for. Examples of urban private community markets include, Stage market, the Mall, Sarit centre, Nakumatt and Uchumi hyper-markets.

Most of these markets are regional or metropolitan shopping centres under one building. The services offered are of wide varieties that include foodstuffs, clothware, electronics, stationaries and cutlery. Most of these goods are traded on retail and wholesale levels. The types of services offered in these markets usually target the medium and high-income groups. The activities in the above private markets generate both vehicular and human traffic causing conflict with the other urban land users. The urban community
markets usually operate on daily basis from Monday to Saturday with the exception of Open-air markets that operate even on Sundays. Public urban community markets are managed by different Municipal authorities. They are different in both form and function. Open-air markets are unsheltered and have temporary stands where traders display their goods. Usually the rates are collected on daily basis. In order to effectively serve the urban population the urban community public markets are grouped into various categories. These are grouped into Open-air, Rental, Tenant-purchase and Wholesale markets (Nairobi City Council, 2000). Each market provides a certain range of goods and services to customers. Planning for these markets demand a thorough research and critical analyses of which the study envisages to do.

1.3 Problem Statement

The phenomenal growth in urban population is in no doubt primarily due to the overall growth in total population especially in Africa, Asia, South and Central America. In Africa, the urban population is expected to increase from 129 million in 1980 to more than 765 million in the year 2025 by which 52 percent of the region's population will be living in towns and cities as compared with about 30 percent urban population recorded in the Africa region by 1986 (Habitat 1987).

In Kenya 27 percent of the total population is found in the urban areas (Kenya, 1999). The consequences of rapid urbanization are far reaching owing to the absence of conditions under which population growth and urbanization accrued in the European countries. African countries of today do not have the opportunities of labour absorption and growth through trade coupled with industrial development (Sethuraman, 1981).

Under such circumstances, the surplus population and its labour force have been forced to generate its own means of employment and therefore survival. Markets have therefore emerged not in such of lucrative investment opportunities but out of necessity to create ones own employment inspite of the luck of investment resources.
Nairobi is the capital city of Kenya and it is endowed with better infrastructure facilities and services. Due to this, it has continued to experience rapid urbanization with a population increase of about 7 percent and as high as 10 percent in the slum areas (Karuga, 1993). According to the 1999 population census, Nairobi had a population of 2.1 million (1.1 million males, 1.0 million females). With an area of 696 km², Nairobi holds a total of 649,426 households and an average density of 3,079 persons per km². A good number of migrants are from its metropolitan set-ups which consist of such districts as Thika, Kiambu, Machakos and Kajiado. The first two have a fairly high population densities of 562 persons/km² and 329 persons/km² respectively compared to their areas of 1,324 km² and 1,960 km².

The formal urban economy is not able to absorb the large in flow of people and majority find themselves without formal employment. The informal sector has therefore become number one refuge for most low-income earners in Nairobi making vending a way of earning a livelihood and a wider aspect of that unavoidable demographic transition experienced by prime cities in the developing world. Despite this, the need to come up with a meaningful and lasting solution for the problem of markets location and servicing has always eluded the city of Nairobi administration.

Vending was initially seen as a short-term problem that would disappear with the growth of the formal economic sector and as a result location of most vending sites was not preceded by any official location guidelines. Due to lack of planning guidelines from policy makers and city planners, vendors have designed their own methods of identifying and locating strategic sites of operation. In most such sites vendors are not expected to put up any structures. This is usually the case with vendors in open-air markets and hawkers on the streets or transport corridors. Such markets are usually of spontaneous type and their nature of operation do not take into account the perishability of goods, necessary amenities, the safety and health of traders. The main problems that have emerged as a result of their location include among others, conflict with other users and a negative impact on the overall city land scope or environment.
Most of these markets concentrate or centralize themselves around nodes of high population densities and transportation network. This has given rise to competition for space between the vendors, pedestrians and the motor traffic. The result has not only been congestion but also loss of human lives through road accidents as traders crisis cross the roads to sell. Githurai Open-air Market, which is one of the study areas, stands as a good example. The way the traders dispose off their refuse or waste especially from agriculture goods calls for intervention measures since it is one of the major pollutants of urban environment. In Nairobi therefore, the most critical problem facing the development of market places trade areas is the absence of designated areas to serve the projected population increase. This could be explained by the fact that market areas are not taken as a priority to be planned for in the overall development of the city. A site is usually declared a market place when small-scale traders invade a place and start selling their goods (Nairobi City Council, 1973).

The physical plans begin with a vision of what the community should look like after a period of time. As a result, most of these plans and zoning maps do not integrate uncertainty and spontaneous development as a fundamental element of the plan and planning process. The urban plans do not accommodate spontaneous markets development and since the process of adjusting a zonal map involves a lengthy legislative process, spontaneous markets operate ad hoc.

For the formal markets that were built and are managed by the City Council, they are inadequately served by infrastructure and services such as water, sanitation, parking, electricity and space for expansion. As a result they cannot serve the Nairobi population effectively in terms of both buyers and sellers. An example is the Wakulima wholesale market. The result has been the tendency for traders to sell their goods outside these markets and on transport corridors leading to further conflicts with the public and city authorities. Relocating of Wakulima Market has been met with fierce opposition from the traders due to the crucial aspect of accessibility and demand.
The thesis project focused on these urban markets in Nairobi, Githurai Open-air Market, Kenyatta Retail Market and the Stage Market, which is privately owned. The study recognized the existing locational problems with markets and it attempted to provide a long-term solution. The current study therefore sees the need to carry out an in-depth comparative study of three different market types with a view to understanding their spatial location, functions and operations from a planning perspective.

1.4 Research Objectives

1.4.1 Goal of the Study

The study has one major goal and four specific objectives. The goal of the study is to identify and analyze factors at play in the location of the markets in relation to their functions in the community and the city as a whole. This is done with the view to recommend planning interventions that will facilitate their continuity and their role in serving neighbourhood communities, while at the same time ensuring sustainability of their functions for the social and economic development in the surrounding communities.

1.4.2 Specific objectives

1. To find out the major factors contributing to the location and spatial spread of markets by looking at the three that are selected for detailed study that are Kenyatta, Githurai and Stage Markets. Data for this objective include both primary and secondary data collected from the field and offices.

2. To analyze accessibility, compatibility, level of infrastructure and services provision, and the catchment population served. Data for this objective was collected through interviews where the researcher established the distances traveled by both the sellers and buyers to the market area. Discussions with communities around the market shed light on the nature of land use conflict between the market and adjoining developments.

3. To find out the operations and management of the three markets and compare the differences and similarities in the economic and social functions between the three types of markets. Operations and management of the markets were done through direct
observation and discussions with the market managers and/or inspectors. Data on the social and economic functions was collected through primary source. This would help in establishing what positive factors from the private market can be replicated into the public and vice versa in order to facilitate the efficient running of these markets.

4. To come up with policy recommendations on planning requirements for urban community markets. This will be achieved by use of findings in objectives 1, 2, 3, and 4 above and having reviewed existing literature on planning, institutional framework and by-laws on urban community markets.

1.5 Research Questions

1) What factors have influenced the location of each of the three markets under study?
2) What are the physical, socio-economic and environmental problems that have emerged as a result of the current location and continuing function of the markets?
3) What is the existing legal and institutional framework on urban community markets and what planning intervention measures can be put into place to sustain both the community and citywide functions?

1.6 Assumptions of the Study

The study has three assumptions:

1. Urban community market outlets do avail essential goods and services to both the traders and the neighbourhood community.
2. There has been a wide spread neglect by urban planners and administrators to prepare forward plans for urban community markets in order to provide the future sites and ancillary infrastructure and services.
3. Privately owned urban community markets have requisite infrastructure and services that enhances business operations.

1.7 Justification of the Study

The three markets were selected on the basis of category/type, design, maintenance and services offered. Kenyatta and Githurai are publicly owned community markets while Stage
Market is a privately owned community market. The study was a comparative study and in order to have a spatially representative study, the research selected markets in both the middle and low income areas since these are the areas with high population densities hence the more need for a community market facility. Kenyatta Market is located in the middle-income zone while Stage Market is in the low-income zone. Githurai Open-air Market was selected based on two factors. First, there are no open-air markets that are under the jurisdiction of Nairobi City Council and secondly, the market is located on controversial site. Part of the market is on a roundabout whereas the other part is at a junction of a dual carriage highway and two-distributor road serving several populous neighbourhoods. The market falls on the border of Nairobi and Ruiru Municipality making the enforcement of the law impossible.

The three types of markets serve as important source of employment in the informal sector within Nairobi. According to the Central Bureau of statistics (CBS) the sector accounts for 27 percent of total employment in the city. The growth in the sector in the city is at a rate of 16 percent per year compared to 1.4 percent in the modern wage sector in Nairobi. The sector requires very little per capita input to create jobs, 160,000 shillings compared to 1.2 million by the formal sector (Karuga, 1993).

The markets contribute significantly to revenues of respective local authorities. One of the major problems or challenges facing the Municipal authorities today is lack of adequate finances due to their weak revenue base. For instance during the time when Nairobi City commission was incharge of the city council for 10 years (1983-1993), there were 30,000 vendors operating within the city by 1984. Only 5,000 out of them licensed. Between 1993 and 1997, Nairobi City Council licensed 8,890; 7,461, 9,057,7773 and 6,815 vendors respectively (Nairobi City Council: 2000). There is no documented figure on the number of vendors in Nairobi for 1998-2001. It is clear the majority operate outside the legal framework. Estimates indicate that the commission looses approximately Kshs 1 Million a year for not granting licenses in the peri-urban areas of the city (Mbugua, 1991).
Planning for the location, operation and servicing for the community market outlets will not only boost the councils' revenue base, create employment and provide goods and services at convenience distances for the consumers but will also expand on the revenue base.

1.8 Scope of the Study
The study limited itself to three markets. The first is Kenyatta Retail Market which is owned by Nairobi City Council. It was planned and developed by NCC to serve neighbourhood communities in Golf course, Kenyatta estate and lower Kilimani communities. The market covers an area of 3 acres. Kenyatta Market is one of the four Tenant Purchase markets for the Nairobi city council. The others include Kahawa West, Kariobangi South and Mathare North. The goods and services offered by this market include cloth ware, hair and beauty services, electronic repairs and general shops. The performance of the market has been declining over time due to poor infrastructure, water sanitation, electricity coupled with the emergence of trading activities outside the planned market area.

Githurai Open-air Market is a spontaneous market which emerged in the late eighties but was formally allocated the site under a presidential decree in early 1990's. It was meant to serve the people of Kasarani division which include such estates as Githurai, Zimmerman and Kasarani. The market is the major open-air market within Ruiru municipality. Other markets are Ruiru, Jacaranda and Thome Markets. The market covers an area of 0.7 Hectares and it operates without any planning guidelines or regulations. Since most traders within the market engage in trading activities for survival, the businesses are operated on small scale. Most of goods and services offered in this market are mostly agriculture produce and second hand clothes.

Stage Market on the other hand is a private market and its establishment in 1998 did not take into account the catchment population. The neighbourhood communities around this market include Muthurwa, Makandara, Gikomba and Kamukunji that consist of low income people who may not afford the services offered by the market. These market sites are common
areas for income generating activities and are situated in areas with high populations. The study was geared towards sustainable markets and that is the rationale behind opting for the above markets rather than researching on those in high-income areas where such community markets already exist.

1.9 Operational Definitions

Planning: The steering of future development and activities to meet desired ends. It can be viewed as an attempt to address the failure of the market to make all costs of development accountable to the developer/entrepreneur such as visual intrusion, traffic nuisance from a profitable development and failure of the market to achieve publicly desirable ends.

Physical Planning: Is a specialized type of planning and deals with the art of science of organizing the use of land, character of building and transport and other service networks to achieve maximum degree of economy, convenience and beauty. Planning and land development has a direct impact on both the built and natural environment.

Spontaneous Market: Are those social and economic institutions where people meet for commercial purposes and define themselves without any prior formal planning.

Absolute poverty line: Encompass both food and non-food basic requirements (food poverty line + minimum mean value of non-food requirements)

Hardcore poverty line: Defines households who even if they are allocated all their household income on food, they would not meet their minimum basic food needs.

Hawkers: Are mobile vendors without fixed abode and they keep shifting places with their goods.
Location: The total urban environment in which a specific urban land use interacts at a particular time.

Market: A point with socio-economic reference where buyers and sellers meet to exchange goods and services and the price offered and paid is by each affected by decisions of others.

Community: A group of people under the same geographical setting (neighbourhood) but not necessarily sharing any ethnic background.

Site: A position in a given zone that is available for physical development

Entrepreneur or Trader: Person who owns the establishment

Neighbourhood unit: A residential area with its own network of distributor roads and insulated from the main through traffic of a town and provided with primary schools shopping centre and open spaces.
CHAPTER TWO
RESEARCH METHODOLOGY

2.0 Introduction
This section deals with methods that were used to collect data, types of data collected and techniques of data analysis and presentation. It also describes the study areas in relation to the methods of data collection.

2.1 Types and Sources of Data
The research collected data from three sources. These were Primary, Secondary and Archival sources. Primary source include data that was collected during the field survey. The type of data collected in this case included household characteristics of the entrepreneurs, business operations, institutional and legal framework and the socio-economic functions of the various markets. Secondary source of data constituted mainly of literature review. The type of data include information on the general overview of market emergence and development, markets types in Ruiru Municipality and Nairobi City Council, and the role of markets to the urban economy. This data was collected from university libraries, World Bank library and Nairobi City Council (Research Department, Housing and Social Services Department).

Archival data include minutes of proceedings from Nairobi City Council Forward Planning Department and the Department of Housing and Social Services. Data from these sources included reports on surveys carried out in the past relating to hawkers and vendors in the urban markets plus any planning interventions recommended. One such report was carried out amongst vendors along Jogoo Road with an aim of searching for an alternative and appropriate site for the traders.

2.2 Sample Framework
The research considered the total population of traders from the three selected markets to constitute the sampling frame. From the field survey Githurai Open-Air Market had eight hundred (800) traders, Kenyatta Market had 608 stalls while Stage Market had 70 stalls.
The total number of traders considering that each stall was owned by one trader was 1478. In order to get a representative sample, the researcher used the following social science research method:

\[ n = \frac{Z^2pq}{d^2} \]

where,

- \( n \) = the desired sample size (if the target population is greater than 10,000)
- \( Z \) = the standard normal deviate at the required confidence level.
- \( p \) = the proportion in the target population estimated to have characteristics being measured.
- \( q \) = 1 - \( p \)
- \( d \) = the level of statistical significance set.

(Mugenda M.O et al. 1999:43)

Since there is no documented information on the number of traders in urban areas, it was hard to estimate the number of traders in Nairobi and Ruiru Municipality. The research used the population for the various divisions that the three markets fall under. The target population being planned for therefore included the total population of Kasarani, Pumwani and Kibera Divisions representing Githurai, Stage and Kenyatta Markets respectively. The total population used is that of the household which totals to 253,036 for the three divisions (CBS: 1999 Population Census).

The assumptions are that every household uses the market at one time or the other. To take care of any extreme cases, the research assumed that 93 percent of the households make use of the market for certain services and goods. To get the desired sample size, the above formula was used taking the value of \( Z \) to be 1.96 (constant) while the confidence level is set at 95 percent or 0.05 statistical significance which is recommended for a social science research by Mugenda M.O. The desired sample size was therefore,

\[
\frac{1.96^2 \times 0.93 \times 0.07}{0.0025} = 100
\]
The number of entrepreneurs to be interviewed from the three markets was to be 100. In order to get a representative sample size for each market the following ratios were used to represent the markets.

Stage: Kenyatta: Githurai
1: 2: 3

The ratios were based on the population of entrepreneurs. Therefore the number of questionnaires that were to be administered per each market was 17, 33 and 50 for Stage Market, Kenyatta Market and Githurai Open-air Market respectively. However due to unwillingness of traders to co-operate and the fact that most of the respondents were employed especially at Stage Market hence did not want to divulge any information, the total number of valuable questionnaires filled amounted to 17, 31 and 28 for Stage market, Kenyatta Retail Market and Githurai Open-air Market respectively.

2.3 Sampling Procedure
Due to the non-uniformity in the distribution of some of the phenomena being investigated, the research used different sampling techniques in carrying out the research. Three sampling techniques were used, stratified random sampling, Transect and Systematic random sampling.

In order to have a representative sample the traders were grouped into three main categories. The three were manufacturing, service and general merchandise/common trade. The Manufacturing enterprises included all those traders engaged in activities that add value to a good by producing new products. The selling capacity of most of these traders is highly dictated by the market forces. This implies that they have to put extra effort by moving out of their premises to search for potential customers or they can do it through advertising or displaying their wares. Traders in this category included among others carpenters, tailors and metal work.

The Service sector included traders who engaged in food kiosks, restaurants, butcheries, repair works and saloons. Service businesses are customer oriented implying that it is
mostly the customers who voluntarily go for the services unlike in the first case where traders go for customers. The last category is the *general merchandise or common trade*. It has traders engaged in second hand clothes (mitumbas), boutiques selling high value goods such as shoes, clothes, jewelry beauty products, grocery and hardware shops. The general merchandise has both marketing and customer-oriented entreprises. This group was further classified into wholesalers and retailers where it was found appropriate.

### 2.4 Methods and Tools of Data Collection

For each of the three Markets the research carried out reconnaissance surveys to identify different trading activities carried out in them. This made it possible to stratify the traders into the three major categories and know the dominant business types per each market. After identifying the strata, both transect and systematic random sampling of varying interval was used. Data collection entailed the use of questionnaires, checklist, observation and photography. The study employed two types of questionnaires, household and institutional questionnaires. The following methods were used in primary data collection, interviewing, observation, checklists and ethnographic survey.

For the interviews, household questionnaires were administered to different categories of traders within the selected markets. The questions asked revolved around the threshold population, type of infrastructure services, problems experienced and the related suggested solutions. Others included questions related to income, and number of employees. The institutional questionnaires were administered to Nairobi City Council officials working for the City Planning and Architecture Department, Social Services Department, Ruiru Municipal Council, and the management of the Stage Market. The questionnaires were addressed to the urban planner, market superintendent and the manager of the private market. The answers given included the institutional framework, market by-laws and development control issues.

*The Open discussions* entailed informal discussions carried out with respondents such as the hawkers, the prosecutor in the Inspectorate department and the deputy director of Housing and Social services. This was done to establish how law is enforced in the
various trading areas, problems and challenges faced by both the enforcers and the hawkers. The checklist was prepared and used to collect information from the households neighboring the markets and not more than 500 metres from the respective market. Systematic random sampling was used where every tenth household was interviewed per each residential estate. The questions asked shed light on the services provided by the market to the residents, what services they lacked and the problems encountered as a result of the current location of the various markets.

2.4.1 Kenyatta Market

In Kenyatta Market 70 percent represented traders in the service and common trade sectors while 30 percent represented traders in the manufacturing sector. The stalls in Kenyatta Market are build linearly from one corner to another. The various businesses are grouped together such that boutiques selling new items are on one section, second-hand boutiques on their own, and the same applies to saloons and hotels apart from a few misnomers. With this kind of layout, the research applied transects methods by picking stalls on a straight line that are of the same category. From here systematic random sampling was applied for stalls on that transect. For each business type the sampling procedure ensured that the first stall and the last stall within that business category was sampled. This was meant to help in assessing the performance of business with reference to accessibility. Among the common traders in Kenyatta, seven out of twelve questionnaires were administered to the boutique business owners since they constituted the biggest number. For the service sector, out of the twelve questionnaires administered, half of them went to the salons, followed by hotels, butcheries and two for repair works. Questionnaires for the manufacturing sector were administered to the tailors both in garment making and embroidery works.

2.4.2 Stage Market

For the Stage Market, the same procedure of transects was used to guide systematic random sampling since it has a similar layout as Kenyatta Market. Out of the seventy stalls, ten of them are wholesalers and retailers of general merchandise in household
goods. Thirty deals with assorted hawkers items while the other percentage is shared amongst hotels, butcheries, one supermarket, hardware and music stores.

2.4.3 Githurai Open-air Market

In Githurai Open-air Market, the questionnaires were administered to the traders according to the type of food crops or goods sold. For each category of traders, the first respondent was picked at random starting with the one near the main entrance. Every thirtieth trader in the same category was interviewed.

Unlike sampling in Kenyatta and Stage market, systematic random sampling was not possible to be carried out effectively as a result of traders' hostility and the mixed type of activities within the market. However the study tried as much as possible to use the pathways within the market to act as the transect line to avoid repetition and to have a representative sample. For the traders who were outside the open-air market, the researcher categorized them into two major groups, those selling food products and non-food products. These were further categorized as shown in Figure 2-1.

Figure 2-1 Distribution of Respondents in Food Products and Non-food products.

<table>
<thead>
<tr>
<th>Food products</th>
<th>Non-Food products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh Farm produce</td>
<td>Fresh Farm produce</td>
</tr>
<tr>
<td>(6)</td>
<td>(Unga/flour). (3)</td>
</tr>
<tr>
<td>processed</td>
<td>new Clothes</td>
</tr>
<tr>
<td>(2)</td>
<td>(shoes/clothes) (2)</td>
</tr>
<tr>
<td>Food products</td>
<td>secondhand</td>
</tr>
<tr>
<td>(2)</td>
<td>electronics</td>
</tr>
<tr>
<td>Non-food products</td>
<td>household</td>
</tr>
<tr>
<td>(2)</td>
<td>goods.</td>
</tr>
</tbody>
</table>

According to Figure 2-1 six questionnaires were administered to traders selling fresh farm produce and three to the processed products. Two questionnaires were administered to each group of traders dealing with new clothes, secondhand clothes/shoes and
household goods. Only one questionnaire was administered to one trader dealing with electronic goods since they were only two.

Apart from traders dealing with fresh farm produce where the six questionnaires were administered randomly, the other questionnaires were administered through systematic random sampling. Traders with businesses at Githurai roundabout were very suspicious and too busy for any questionnaires to be administered. Informal discussions with the traders were carried out to overcome this problem. The discussions were meant to find out reasons for locating their businesses around the roundabout that is part of a dual carriage highway despite the risks involved.

2.5 Methods of Data Analysis and Presentation
The data collected was analyzed qualitatively and through cartographical techniques. Qualitative was by use of means, averages, percentages and summaries. A Statistical Package for Social Sciences (SPSS) was used in processing the data collected. Presentation of data is done in form of graphs, tables, charts, flow diagrams, photographs representing images of aspects of the markets that are relevant to the objectives of the study.

2.6 Limitation of the Research
A number of limitations were encountered during the field study and the research has listed the major ones.

2.6.1 High Cost of Field Study
The three markets under study are located about 10 kilometers apart. This made it mandatory for the researcher to employ three research assistants. For the sake of consistency in data collection and easy monitoring, the three assistants had to collect data from the specific markets consecutively. Each of the assistant was to be paid Ksh 5000 for the three weeks they were in the field. This budget was way above Ksh 9,000 allocated for this kind of study. This limitation was overcome by acquiring a fourth assistant who was willing to assist in the data collection free of charge.
2.6.2 Time Constrain
Getting clearance from Nairobi City Council and Ruiru Municipal Council to go to the field to collect data took over two weeks. Booking appointments with the relevant officers in order to have questionnaires filled proved hard and with some appointments having to be made long after the field time. Some of the officers especially with the city Inspectorate and the licensing section declining to have any discussions. The same problem was experienced in Stage Market where the manager declined to discuss the operations and management of the Market. This constrain was overcome by administering the questionnaire or having discussions with alternative officers with relevant knowledge in the specified discipline.

2.6.3 Lack of Reliable Data
Lack of data due to the few market surveys carried out in Nairobi was a major limitation to the study. For the researches carried out, there is hardly any systematic documented information within the council offices that can be used to make valid conclusions. Accessing secondary data on markets from the Nairobi City Council or Ruiru Municipality proved almost futile.

2.6.4 Hostility
The research was carried out during the period when Nairobi had experienced a series of fire outbreaks within the urban community markets. For instance in Gikomba, Kawangware, Freemark Markets, fire outbreaks had destroyed most of the traders goods and money. As a result the traders were not only suspicious but also hostile and this limited the number of questionnaires that were meant to be administered plus the information that was to be collected.
CHAPTER THREE
LITERATURE REVIEW

3.0 Introduction

The term market has been defined in many different ways. According to Encyclopedia Britannica, (1990), markets literally mean the places where things are bought and sold. It is a place where people meet to trade off or exchange goods and services. In modern industrial system the market is not merely a place. The term market has expanded to include a whole geographical area in which sellers compete with each other for customers. Economists understand the term market to refer to a particular region where similar consumption and production conditions prevail. Buyers and sellers in the region are influenced by similar and same production buying and selling policies. Under such situations, buyers and sellers are influenced by their free will, their purchasing power and price levels of same goods and services to continually interact in consumer-producer/seller relationship.

According to Housing and Housing Finance Agency (HHFA)(1969), the market is a place where people gather for sales and purchase of provisions, livestock, clothing and various other items. It is a complex of several activities related to human existence and involving in various ways great number of people. The market extends to other functions by virtue of its own kinetic energy. Some of those other subsidiary functions are: social intercourse, diffusion of culture and mass communication.

Beddington, (1991) defined a market as a public area; open or covered provided with stalls where traders sell their wares on known market days subject to paying a statutory charge. The United Kingdom definition is “the franchise right of having a concern of buyer and sellers to dispose of commodities in respect of which the franchise is given.

3.1 Origin and Development of Markets and Trade

Most scholars unfortunately consider it important to take a position in the debate about the origin and universality of markets in order to explain the evolution of market systems...
Polanyi 1944 considered market and trade as an "unnatural" human activity. To him it is a force that is exogenous to the household economy. It therefore requires certain conditions to develop. Polanyi suggested that market trade originated in long distance exchange of commodities between stronger groups where economic maximization by the parties to exchange would not change the social fabric. To him the market trade is expected to remain a fully controlled and circumscribed activity taking place among strangers under the careful eyes of political watchdogs. Thus, the way in which the market and the economy in general is instituted in a society is assumed to be determined by cultural and political rather than economic variables. No evolutionary sequence is projected for the development of markets although all developed market economies are held to be similar.

Most schools fail to consider the growth of hierarchical institutions within the internal domestic economy providing requisite concentrated demand of specific goods and services which in turn lead to specialization and capacity to produce the goods and services in a particular area. Central places are found to develop long before an internal market system. They are the causes rather than the consequence of market development. In East Africa, pre-colonial markets that existed were both Intratribal and inter tribal ones. It has been argued that markets stimulation during this period could have been either due to alien group influence or through requirements for local exchange (Smith 1976).

3.2 Two Circuit Model for Urban Community Markets

Studies exist on location analysis, the geography of marketing and retail distribution in urban areas. Foremost among scholars Berry (1967, 1968) and Scott (1970) carried out some of the major works in Europe on the subject. According to Berry (1967), market places are sites within social, economic, cultural and other referents with several sellers and buyers. Studies carried out in Africa concentrate on periodic markets in rural areas such as Musyoki (1978), Wood (1971) Obudho (1976). The few studies once done in Nairobi concentrate on single commodity markets, market designs/layout but none analyse the marketing system as a unit Muriuki (1978), Nadire (1991) and Njeru (1984).
Studies on markets are an interesting area of research for scholars wishing to reveal our understanding on marketing and consumer behaviour. All forms of analysis in this field are inevitably related to the socio-economic dynamics of the community where studies on markets have been carried out.

The study relies on the two-circuit model that was developed by Santos (1979) to evaluate the role of markets in Nairobi. Santos suggested that earlier ideas such as traditional-modern, formal-informal market dichotomies do not adequately present the situation in the cities of African countries. According to him, markets in city should not be studied as a single homogenous entity but as two sub-systems namely the **upper or modern circuit** and the **lower circuit**. Each circuit has to be understood in relation to the society and its surrounding urban space. Table 3-1 summarizes characteristics of the Upper and Lower circuits.

### 3.2.1 Upper or Modern Circuit

For Santos, the upper circuit is the direct result of technological progress and its most representative elements are the monopolies with most of its relations taking place outside the city and surrounding area and operate in a national or international framework. The upper circuit consists of banking, export, trade and industry, trade and service, wholesaling and tracking. This circuit provides goods and services in bulk. This is because its production process is highly mechanized such as in factories/industries and their service sectors such as banks are fully computerized. Manual labor is utilized on limited instances. Due to its high output and mobility levels, it serves more people and bigger regions compared to the lower circuit. Urban private formal community markets such as the Mall, Sarit Centre, Stage Market and the Hyper-supermarkets fall under this category of modern circuit. This is because the level of services they offer are beyond the local level. They are capital oriented and the catchment population they serve is from the metropolitan and national regions.
3.2.2 Lower Circuit

The lower circuit on the other hand consists of small-scale activities and is almost exclusively for the low-income. It is well entrenched in the city and enjoys privileged relations with its environment. The circuit is essentially made up of non-capital-intensive forms of manufacturing, non-modern services generally provided at the retail level and non-modern and small-scale trade (Santos 1979: 18). The types of goods and services offered in this circuit are usually at subsistence scale. This circuit consists of the juakali and small-scale entrepreneurs who engage in small-scale production and petty trade for survival purposes. The urban public community markets are in this category. Kenyatta Market though it is a formally established market and most of the entrepreneurs can be said to be in the middle income zone, the levels of operation of the traders is at the retail level justifying its grouping in this category. Githurai Open-Air Market is also in this category.

Each circuit is therefore defined by:-

1. All activities undertaken in a given context.
2. The section of the population linked to each circuit by consumption and employment.

Nevertheless members of one social stratum may consume outside the corresponding circuit although this consumption will be partial and occasional. For instance individuals more directly attached to the lower circuit do not constitute labour force exclusive to that circuit for they occasionally sell their labour to the upper circuit. The two circuit formation is useful in understanding the functioning of the city as living organism. It also facilitates the explanation of the city's external relations both with its immediate hinterland and with other urban centres.

The two circuits are interdependent in that the upper circuit depends on the lower circuit for labour and the market for some of their products. Most entrepreneurs who deal with off-farm goods such as lubricants, paints, hair products, materials and other household goods get them from industries in the upper circuit. The manual labour needed in firms in the upper circuit is hired from people in the lower circuit. Surveys have shown that goods
sold by hawkers are usually gotten from the commercial formal shops. The hawkers are
given the goods to go and market for the formal traders with a commission attached. This
means that the upper circuit needs the lower circuit for its growth.

The principal error of many dualists according to Santos is their very partial approach to
the study of the African, Asian and Latin American economies and societies, focusing
almost exclusively on production. An economic society is only concerned with the output
from the production process without considering the factors at play in the process of
producing the end product.

"The problems of an economic society cannot be studied piecemeal. Besides
production, distribution and employment aspects must also be analysed (Santos
1979:26)

In order to understand the role of the market in urban economy it is essential to analyze
the market as a system by looking at the source of goods (producer), the market outlet
(conflict zone) and the consumer. This entails analyzing the multiplier effects that go
along with markets as a system.

Santos draws a distinction between this type of dualism and the two circuits of the third
world urban economy. He notes that the modern-traditional dichotomy which was so
prevalent and perhaps valid in the past has no place in a world now dominated by
innovative diffusion and rapidly changing consumption pattern. Most activities termed
traditional are either to be modified, decline in scale, their significance in the market or
just disappear altogether. A good example is the artisans who were producers for the
tourist markets. Most of them had to give up due to stiff competition and exploitation
from middlemen.

The term dualism has become convenient in designating the co-existence of various
forms of production, distribution and consumption in Africa, South America and Asian
countries. The drawback of this term is that it is based on the idea of a dichotomized or
fragmented urban economy as suggested by Mabogunje (1965). This approach has lend
to separate treatment for each sector of the urban economy but in reality both the two
circuits owe their origin and existence to the same causes of modernization and technology. Santos summarized the main characteristics of the two circuits as shown on the Table 3-1 below.

Table 3-1 Characteristics of the Upper and Lower Circuits.

<table>
<thead>
<tr>
<th>CHARACTERISTIC</th>
<th>UPPER/ MODERN CIRCUIT</th>
<th>LOWER CIRCUIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology</td>
<td>Capital-intensive</td>
<td>Labour intensive</td>
</tr>
<tr>
<td>Organization</td>
<td>Bureaucratic</td>
<td>Primitive</td>
</tr>
<tr>
<td>Capital</td>
<td>Abundant</td>
<td>Limited</td>
</tr>
<tr>
<td>Labour</td>
<td>Limited</td>
<td>Abundant</td>
</tr>
<tr>
<td>Regular Wages</td>
<td>Prevalent</td>
<td>Exceptionally</td>
</tr>
<tr>
<td>Inventories</td>
<td>Large quantities and/or high quality</td>
<td>Small quantities, poor quality</td>
</tr>
<tr>
<td>Prices</td>
<td>Generally fixed</td>
<td>Negotiable between buyer and seller (haggling)</td>
</tr>
<tr>
<td>Credit</td>
<td>From banks and institutions</td>
<td>Personal, non institutional</td>
</tr>
<tr>
<td>Profit Margin</td>
<td>Small per unit; but with large turnover, considerable in aggregate (exception/luxuries)</td>
<td>Large per unit, but small turnover</td>
</tr>
<tr>
<td>Relations with Customers</td>
<td>Impersonal and/or on paper</td>
<td>Direct, personalized</td>
</tr>
<tr>
<td>Advertisement</td>
<td>Necessary</td>
<td>None</td>
</tr>
<tr>
<td>Re-use of Goods</td>
<td>None (waste)</td>
<td>Frequent</td>
</tr>
<tr>
<td>Overhead Capital</td>
<td>Essential</td>
<td>Not essential</td>
</tr>
<tr>
<td>Government Aid</td>
<td>Extreme</td>
<td>None or almost none</td>
</tr>
<tr>
<td>Direct Dependence of Foreign Countries</td>
<td>Great: externally oriented</td>
<td>Small or none</td>
</tr>
</tbody>
</table>

Source: Santos (1979; 22)

Employment in the lower circuit is seldom permanent and its remuneration is often at or below the subsistence level. Employment takes the form of a personal agreement between
3.3 Urban Community Markets in Kenya

In Kenya urban areas, buying and selling of goods and services takes different forms. Goods and services are exchanged at individual, community, national and international levels. The range of goods and services traded at each level vary depending on the purchasing capacity of the buyer. The urban community markets fall in Santo's Upper and Lower circuits. The urban private community markets can be categorized under Santo's upper circuit while the public community markets like Githurai and Kenyatta can be categorized under the lower circuit. The categorization is based on the characteristics of the respective market. Private community markets are economic entities unlike the public markets that have a social orientation. Entrepreneurs in private community markets are better accessed to credit from banks and institutions but the public market entrepreneurs rely on personal and non-institutional sources.

As outlined in section 3.2, Santos argued that despite the fact that the two circuits portray different characteristics, they are interdependent in their functions. The upper circuit relies on the lower for its labour needs and it also provides a wide market for its goods. This can be further explained by the intra-linkages between the private and public urban markets. The private urban community markets such as Stage Market depend very much on small-scale entrepreneurs in disposing of their goods. Despite this comparison Santo's concept cannot be implemented wholly in the Kenya urban markets case. The urban community markets have undergone their own transformation as a result of special consumer, production and marketing conditions in Kenyan cities.

Factors influencing this transformation relate to urban planning practices, urban land administration procedures, investment in market structures to provide operational space, infrastructure, services and accessibility. While Stage Market owes its existence to political and market forces, Kenyatta and Githurai Markets are attributed to land
administration and planning practices. The urban community markets have the following major roles that they play. Each of the roles is discussed below.

3.3.1 Economic Role

3.3.1.1 Employment Generation

Though there is no valid statistics indicating the exact number of people involved in the trading activities in the urban community, the rapid emergence of markets along all transport corridors and in the residential areas is a reflection of the major role played by this sector in job creation. The informal small-scale enterprise sector alone account for 60 percent of created jobs for the urban population (UNCHS,1993). The urban unemployed find it easier to enter this sector due to low capital investments requirement and the absence of established legal rules to guide the operation. The markets also provide employment to the urban immigrants who are usually employed as casual workers by various enterprises.

3.3.1.2 Revenue Generation

Markets are a strong base of revenue collection for the relevant councils (Hill, 1977). This is through licenses, service charge, rental charges and daily collections from the traders in open-air markets. However, measures need to be put into place to streamline the revenue collection system if the relevant councils are to realize this benefit.

3.3.1.3 Market Outlet Function

The urban markets are the main outlets for the agriculture produce from the farms and some of the finished products from the industries. This means that community markets provide a ready market for goods and services. If the markets are planned and managed accordingly, this would not only mean better incomes for the farmers, firms and the entrepreneurs but would also enhance production since the farmers and industries/manufacturers would be assured of ready markets for their goods. Goods produced using the local technology such as ciondos, leather sandals and wood carvings are marketed through the community markets where the entrepreneurs earn ready cash instead of using middlemen who sometimes exploit them. Community markets therefore bring goods closer to the people as well as earnings income for the entrepreneurs.
3.3.2 Socio-Cultural Role

3.3.2.1 Provision of Services

Markets within the local government are managed in the Department of Housing and Social Services. This implies that a market should be supposed to be a social service. Market as a social service is a public service provision based on social welfare rather than a market/economic orientation. This means therefore that planning for community markets requires more deliberate efforts of equity, efficiency and geographical accessibility, which may not be an overriding factor in market-oriented service provision.

3.3.2.2 Culture Diffusion

Traders and/or actors in the urban markets are usually from different ethnic backgrounds. The markets provide a platform where they do exchange ideas and share their different cultural traits. It is through this that a degree of culture or ethnic cohesion is enhanced resulting to harmony existence and if well natured it can result to regional integration. Diffusion of local technology takes place when during trading activities in the community markets. The sector develops technology with local resources to produce goods which are cheaper and durable thereby raising the standards of living of the low income citizens who are the majority consumers of these goods (Okwiri, 1988).

3.3.2.3 Socialisation

Women and the youth constitute the biggest percentage of small scale in Nairobi (Mbogua, 2000). The entrepreneurs find the market place the best environment to discuss their affairs. The reason is that when they meet with their fellow women, they find it easier to share their family problems and experiences resulting to emotional and psychological relief. To the youth, surveys indicate that most of them meet their future partners through socialization resulting to both intra and inter-tribal marriages.

3.3.3 Recreational Role

Activities such as entertainment and religious activities take place in the market places that act as good medicine to the body and mind. The general public visit the market places even when they are not doing any purchases just to observe the activities taking place within the
market and as a way of relaxing their minds. Some of the community markets serve as good places for roasted meat.

3.3.4 Environmental Management Issues.

The setting aside sites as markets has improved on the urban aesthetic by breaking the monotonous highrise buildings that is the permanent feature in urban area. Some of them like hawker's market along Limuru road have trees planted within its environ providing a carbon sink hence reducing air pollution. Most of the community markets are located at accessible distances within the city and they therefore serve as good places for roasted meat. However to effectively serve this role environmental issues such as solid waste, sanitation and compatibility have to be adequately addressed. Uncontrolled and unplanned market activities do cause environmental problems that may outweigh the economic advantage they provide (Gichira, 1991).

3.3.5 Market Administrative Issues

The local authority through the department of housing and social services is in charge of administrative functions of the urban community markets. It is supposed to harmonize activities and collect revenue from the specific markets. Through the community markets, the market administrators get an opportunity to interact with the entrepreneurs and they manage to air some of their views. If this opportunity is well utilized the market administrators can enlighten the traders on the existing rules and regulations on markets and sensitize them on environmental management.

3.4 Origin and Development of the Informal Sector

Immediately after independence when racial restrictions were lifted, the path to growth for the sector opened. However the local authorities inherited some negative attitudes towards the sector by not including the sector in their policies and programmes. This acted as a bottleneck to the continual expansion of the sector activities. The potential growth of the sector lies in the availability of exploited resources. This demonstrates the need for more room for the upcoming entrepreneurs. The growth of the sector has not only been with reference to size but also in terms of goods and services produced. Most
of the sector consumers happen to be low wage formal workers who cannot afford to purchase goods from the upper circuit. The consumers believe that the informal sector goods are not only cheap but they are durable and are cheaper to repair.

A relationship is suggested by Mazumdar in his mathematical model where he states that "the major determinants of the rate of growth of informal sector employment are the marginal properties of the formal and informal sector to consume informal sector goods, the relative levels of income in the two sectors and the rate of growth of employment and productivity in the formal sector" (Okwiri, 1988).

Thus the informal sector tends to act as complements with the formal sector. Legal controls such as city by-laws, building code, public health act and town planning act have posed great limitation to the sector. This is because they draw their standards from medium and large-scale enterprise experiences, which are inappropriate for the informal sector.

3.5 Policy Framework
Enterprise development in an economy depends on a number of factors chief of which are policy environment, resources availability, entrepreneurship of the local people, and legal and political systems. Enterprise development is also crucial to the economic and industrial development of a given economy and takes time in keeping with economic conditions over the time period (Ondiege, 1995).

3.5.1 International Context: The ILO Report on Kenya (1972)
The report emanated from an International Labour Organization (ILO) study mission to Kenya on increasing productive employment in Kenya. It was at this time that the term "Informal Sector" was used to describe the portion of the urban economy that escapes enumeration in official statistics. The report set in motion worldwide interests in the potential of the informal sector in promoting the growth of income and employment in the rapidly expanding cities of the less developed countries. As a result of the ILO report
and the ensuing 1973 Sessional Paper on Employment, the informal sector received considerable attention in the subsequent development plans.

3.5.2 Government Policy Framework

The Kenya Government strategy for industrialization and commerce soon after independence was geared towards the expansion of overall output focussing mainly on large scale and modern enterprises. The assumption was that only large-scale enterprises in the formal sector contributed to economic growth. However in 1967 the Act establishing the Industrial Commercial Development Corporation (ICDC) was amended to create the Kenya Industrial Corporation as its subsistence and to enact the Trade and Licensing Act with a view of opening commerce to indigenous Kenyans. In the second Development Plan (1970-74), it is observed that the government pledged to put much emphasis on the development of small-scale industries and training of entrepreneurs as a strategy for the alleviation of unemployment. However, no concrete measures were laid down for the implementation of the policy.

3.5.2.1 The Third Development Plan (1974-78)

In the plan, the development of the informal sector was to be achieved through the establishment of industrial estates and rural industrial development centres for the informal sector. Direct assistance to informal sector enterprises and the setting up of an administration organization for the sector was envisaged for the plan period. Harassment of the sector entrepreneurs was to be curbed through the review of central and local government regulations inimical to informal sector and small-scale enterprises development.

3.5.2.2 The Fourth Development Plan (1974-83)

During this plan period, the government established promotional strategies and tried to do away with issues hampering the development of small enterprise and rural industrial development. The plan decided that a fund of Ksh. 30 million should be set aside to assist the informal entrepreneurs. The Local authorities were to review the building and health regulations relating to the operation of the enterprises and the Kenya Industrial
Estate (KIE) services were to be expanded with at least one facility in each of the districts.

3.5.2.3 The Fifth Development Plan (1983-88)

The plan envisaged the establishment of a full-fledged small industries division in the ministry of Commerce and industry to monitor the implementation of small-scale development programme to provide assistance to the industrial extension service. A shift of emphasis from capital-intensive modern industries to small and cottage industries to increase the level of employment in the country was proposed. With the President's initiative, several workshops commonly known as 'Nyayo' sheds were constructed as a support measure for the informal small-scale enterprises in the country.

3.5.2.4 The Sessional Paper No.1 of 1986 on Economic Management for Renewed Growth.

The paper made it clear that the sector features much more prominently in the country's development strategies, shoulders a much heavier responsibility, and plays a vital role in the renewed growth of the country. A number of policy measures were stipulated in order for the sector to operate efficiently. A special task force to review the current local authority by-law and other regulations governing the informal sector activities was set up. This was to be done in order to create a healthy legal and regulatory climate for their activities. Appropriate scale in license fees and charges, and protecting street hawkers from overzealous policy was recommended.

Technical and vocational training at the secondary level was seen to play a crucial role in developing artisans, managers, and entrepreneurs for the informal sector. On the crucial issue of lack of credit for the informal sector, the Sessional Paper stipulated such measures as amendment of collateral requirements, encouraging aid donors to provide funds to lending institutions for the sectors firms and encouraging the formation of cooperatives and associations to represent the sectors entrepreneur's. The government was also to promote schemes to provide graduates of youth polytechnics and other secondary schools with the tools of their trade and with small infusions of working capital to start up their enterprises.
3.5.2.5 The Sixth Development Plan (1989-93)
The Sixth Development Plan under the theme “Participation for progress” puts great emphasis on the need to tackle specific measures to ensure that the role attributed to the informal small-scale enterprise sector shall indeed be realized. The small enterprises development strategy papers (GoK, 1989) examined three broad area in which change will need to be effected in order to induce acceleration of small enterprise growth,
(a) The enabling environment
(b) Investment and finance
(c) Non-financial promotional programs
According to the Plan, agencies in both public and private sectors were to be encouraged to develop supportive efforts in trading, advisory and counseling entrepreneurs in project formulation, implementation, operation, monitoring and evaluation. Such organizations as Capital Markets Development Authority (CMDA) and Non-Government Organizations (NGO’s) were to participate.

3.5.2.6 The Sessional Paper No. 2 of 1992 on Small Enterprises and Jua Kali Development in Kenya
The policy paper was geared towards the improvement of existing policy and regulatory environment; gender specific issues, policy measures to improve access to credit facilities and measures to improve provision of non-financial promotion programs. The government was to provide an enabling environment for sustainable growth and development within the small scale and *Jua Kali* sector. Policies laid down in this paper were actively implemented in the seventh Development Plan (1994-96) with a continuous assessment and review of programmes and policies outlined in the paper. According to the seventh Development Plan, the review and continuous assessment of programs and policies outlined in the Sessional Paper No.2 were to be carried out by National Co-ordination Committee under the Office of the Vice President and Ministry of Planning and National Development.
3.5.2.7 The Eighth Development Plan (1997-2001)

The plan has emphasized the role of the micro-enterprises and *Jua Kali* sector in job creation. In order to enhance the sector’s growth, the relevant ministries are to work with the private sector, NGO’s and Community Based Organizations (CBO’s) so as to develop and review the legal and regulatory environment for informal sector activities, formulate and develop programmes to improve access to credit and finance, support women and youth involvement in small/medium scale and informal sector through special programmes, encourage strong backward linkages with the manufacturing sector and finally review and harmonize licensing procedures for the informal sector enterprises.

Almost three decades after the ILO (1972) employment mission to Kenya, which introduced the concept of the informal sector to the country, the official policy towards the sector remains ambiguous and sometimes hostile. The small-scale entrepreneurs continue to operate under hostile regulating environment, inhabitable working condition and inaccessibility to credit facilities. The urban authorities and the formal traders have always had a non-progressive perception of the traders in the spontaneous markets as they are seen to provide unnecessary competition for customers. The urban authorities on the other hand view their vending activities as conflicting with the image of the city.

The role of the sector in urban employment cannot be overlooked. The informal small-scale enterprises sector is the source of 40-60 percent of the created job opportunities for the urban population. This becomes important when it is realized that the urban labour force will increase by about 4 million representing an increase of about 40 percent in the next 10 years (UNCHS, 1993). This calls for the need to review the existing restrictive regulatory framework and allocate the appropriate sites for the entrepreneurs.

The informal sector does not only provide goods and services which the capital intensive, high technology exports oriented formal sector cannot possibly generate at these costs, it also enables the majority of the population characterized by low education, simple technical skills and very little limited capital, but also by initiative, ingenuity and perseverance to survive and even prosper (Racelis, 1988). The sector also promotes a
strong work ethic hence providing a training ground for tomorrow's industrialists. There is therefore the need to create a sustainable enabling environment for markets in terms of legal set up and operations, adequate infrastructure and removal of constraints and discrimination in planning, in order to alleviate urban poverty levels, which is mainly concentrated among the informal sector operations.

Traders are a product of individual initiative and represent a healthy and positive reaction to the apparent difficulty economic position. With the implementation of the structural adjustment programmes (SAPs), the government has had to run its activities on a tight budget. Instead of creating job opportunities the government has resulted to retrenchment. Most of the retrenchees have ended up investing in small-scale enterprises in the urban markets. This makes it essential to plan for these market outlets to cater for the surplus unemployed population while at the same time playing their traditional service provision role.

Planning for the market sites ensures security of tenure for the entrepreneurs. The planning authorities will be able to make provision for the market activities long before any development takes place and the activities will therefore be contained. There is need for a sound location policy that implies increased security of the market activities (Alila, 1999). This will in turn provide good ground by which the vendors can obtain credit from financial institutions hence a step forward in poverty alleviation. Markets should be seen to perform the functions they are supposed to which is availing cheap and accessible commodities to consumers especially the low-income earners who cannot afford to buy goods in bulk and store them in refrigerators.

3.6 Poverty and Development in Kenya

The breakdown of the total population by socio-economic groups shows that 60 percent of Kenyans are in the three Agriculture classes (subsistence, pastoralist and commercial farmers), 25 percent are employed (private or public sector) while 15 percent have a precarious existence somewhere in between. It is surprising that a whole 5 percent of the
poor – about 230,000 active people depend on the public sector. This therefore implies that
to be employed in the civil service does not automatically guarantee a minimum standards
of living. More than 10 percent of the commercially active poor are private sector workers.
This therefore implies that having a regular job does not allow near half a million employees

Poverty is multi-dimensional and there is no one clear-cut definition. Definition depends
largely on understanding the dynamics of poverty as perceived by society. Some people
limit it to lack of material well being. Others perceive it as lack of things like freedom,
spiritual well-being, civil rights and nutrition. According to the welfare monitoring survey (WMS) service, poverty is defined in terms of total household expenditure (food and non-food). A household member is considered absolute poor if he/she cannot afford some recommended minimum expenditure on food plus a minimum allowance for non-food items. The minimum nutrients requirements are 2250 calories per day per adult equivalent (NPEP 1999).

Billetoff (1996) defined poverty as the inability to meet fundamental requirements
regarding physical health and the intake of commodities; but it also related to factors such
as the ability to secure proper schooling for ones children and to cope with situations of
emergency.

UNDP (1990) describes human development as both the process of widening people’s
choices and the level of their achieved well being. Poverty therefore denotes the ability
or rather inability) to pursue certain goals in life, not only the level of consumption or
calorie intake.

3.7 Urban Poverty

Urban poverty in Africa is not a recent phenomena, but is part and parcel of the overall
development process argued that poverty was created as a result of specific socio-economic
and political conditions, borne out of the colonial state and system (Illife1987). In most
colonial towns there was clear spatial and social segregation, which created conditions for long-term poverty for the majority of the urban residents.

African countries face a major challenge in terms of rapid urban growth, that have resulted to severe pressure on existing services, the creation of employment and on capacities of municipal and city governance. In response national and council governments have established programs and projects to address the different facets of poverty but most of them have failed to properly streamline these different interventions into both national and local policies resulting in limited impact on development (Habitat 1999).

By the year 2025 over 54 percent of the African population will live in urban areas with some countries such as Congo having as high as 77 percent. Majority of these people will be working and earning a living in the informal sector (Habitat 1999:11). This poses a significant urban poverty challenge that calls for an integrated and comprehensive planning. The poor in urban areas are unable to acquire adequate income and assets have poor access to basic services, environmental degradation, lack support from the social networks, and have poor access to information that would enable them make decisions.

Poverty eradication is one of the major concerted effort by both the local and international communities. The Habitat agenda adopted in Habitat agenda II conference (1996) recommends to strengthen the capacities of municipal and city governments and to create a democratic and inclusive space which involves the poor in addressing comprehensively the challenge of urban poverty.

The main challenge of reducing urban poverty at municipal and city levels is the need to review and revitalize the existing institutional frameworks for management, and promotion of policies and programs which promote the generation of new employment, improve access to basic services and social integration (World Social Summit, 1995).

Urban poverty is characterized by both "income" and "housing" poverty. Income poverty is described as a situation where an individual has no access to any form of income. The phenomena of Income poverty is linked to the very low wages in both the formal and informal sectors. Housing poverty refers to the type of poverty where an individual cannot
afford a decent shelter or a habitable dwelling place. The main cause of housing poverty is attributed to lack of income and lack of tenure especially among the urban poor. (Kenya, 2000). The formal sector has not been growing in many countries and has recently suffered from massive public sector retrenchments resulting from economic structural adjustment. Most traders in the urban community markets source their incomes from their retail businesses. This means that their major part of their livelihood depend on the specific business. Improving the living standards of these traders calls for an integrated approach that involves understanding the problems encountered in carrying out their operations and planning with them on how to go about solving them.

The informal sector, which has become the main source of new employment is plagued by low wages, lack of job security and limited technological advancement. Thus while the urban centers continue to provide wage employment, the lack of minimum wage regulations in the growing informal sector has resulted in many of its participants living in absolute poverty. The Human Development Report 1997 states that "human poverty is more than income poverty- it is the denial of choice and opportunities for living a tolerable life" (Habitat, 1999: 4).

The major consequence of the economic crisis in Africa is that most countries have been forced to adopt economic structural adjustment programmes (ESAPS), designed to reduce the public debt and to liberalize their economies but these cuts on the government expenditure focused on education, health, housing and water which are important basic needs to the poor. The Structural Adjustment Programmes (SAPs) therefore failed to solve the African problems since they tackled the symptoms rather than the cause of Africa's persistent socio-economic crisis. The SAPs failed to address the need for improved social and technological infrastructure and to mobilize the enthusiasm, support and creative abilities of the people and grassroots organization (UNECA 1991: 8).

To address the African problems the Lagos Plan of Action for Economic Development of Africa, (1980-2000) came up with the principle that the worth of economic development is measured only by the well-being of the people (UNECA: 7). Some of the measures that
were to be undertaken include among others increasing production through expanded and diversified productive capacities that can be sustained over a long period of time without suffering the shocks of outside events. This production within the urban community markets can be enhanced by allocating appropriate market sites where the traders can effectively transact their businesses and expand their marketing channels by accessing potential customers.

The socio-economic, political and structural welfare of their citizens should be a major priority. A nation whose residents cannot meet their basic needs is not expected to have any stable societal structures. Most of the people who fall out of employment through retrenchment end up in the informal sector. It is therefore the responsibility of any national government to provide a sustainable alternative livelihood to these citizens. This calls for the formulation of national and local policies that take into account the planning of urban community markets where most of the informal activities take place.

Urbanization is important and inevitable in emerging economies. This view explains the current trend of private markets that have emerged to supplement the public communal markets. However, their major concern is economic gain rather than the social gain. This is why the study sees the need to adequately plan and replan the public community markets so that the socio-economic value of the market is not lost.

3.7.1 Urban Poverty Issues in the 1990s in Africa
Since 1990, there has been a major policy focus in sub-Saharan Africa to address urban poverty and to focus on municipal and city governments. UNCHS (Habitat) has spearheaded the urban poverty reduction efforts through the global shelter strategy (1980s), and through the more comprehensive approaches dealing with all aspects of the urban economy (Habitat Agenda, 1996). More recently there has been a greater recognition that poverty cannot be addressed meaningfully through the traditional welfare approaches. Good governance is also now important in addressing issues of poverty. Poverty programmes have therefore got to capture the many stakeholders and the state should be open to the actors in poverty reduction where deliberations should be taking place.
In March 1996, UNCHS (Habitat) organized the International Conferences on Urban Poverty in preparation of the Habitat II conference, and within the context of the United Nations International year for the Eradication of poverty. This resulted in the adoption of the Recife Declaration,

"The centerpiece of urban policy as we enter the 21st century must be the struggle against poverty, with goals such as the integration of the informal city, the recovery of the trends towards concentration of wealth and opportunities which so often ends in a spiral of innocence." (Habitat, 1999:15)

The World Development Report 1990 encourages promoting economic opportunities for the poor through encouraging a pattern of growth that increases the efficient use of assets owned by the poor especially labour and local technology. The report advocates for increased access of the poor to land, credit, infrastructure and farm inputs. This requires municipal/city governments to review some of the traditional assumptions of land use zoning and a greater recognition of the informal economic activities that the poor engage in.

Assuming poverty reduction is adopted as a key policy issue at both national and local levels, there is a need to develop poverty reduction action plans, that have to be synthesized into a variety of existing national development plans and city/municipal plans. This is the most important and difficult aspect of the mainstream challenges and calls for substantive restructuring of institutional and management arrangement.

Whilst traditionally municipal/city government have clear jurisdiction on land, infrastructure and local regulation powers, this is not always the case in terms of the broader social-economic intervention, particularly, urban economic and social policy formulation. Poverty reduction calls for a significant expansion of their horizons into economic and social domains, in particular addressing formal/informal and environment dimensions of urban economy (UNCHS, 1999: 20). The key ingredient of the World Bank long-term response to poverty alleviation in macro level emphasizes on the stimulation of labour-intensive modes of production. Since the majority of low-income households are engaged in these activities,
growth that increases their productivity and the return on labour relating to them would reduce poverty (Billetoft, 1996).

3.8 The National Poverty Eradication Plan (NPEP) 1999 – 2015

Poverty is now recognized as a major threat to a very significant section of Kenyan households. There has been worrying follow-on consequences for the security and economic well being of those with surplus income and good services. The NPEP signals the government’s determination to address the poverty challenge not only as a political necessity and moral obligation but also on grounds of sound economic principles recognizing the critical role and potential contribution of the poor to National development. A high priority for the plan period is to encourage the poor on their farms and in their enterprises in order to build upon their existing endowments of human and social capital (Kenya, 2000:3).

Studies have been carried out in Kenya by different parties to address the issues of poverty and unemployment. This has been manifested in different publications and documents such as National Development Plans (NDPs), Sessional Papers, Professional commissions and task forces. The large range of contribution reflects the pressure on government to find solutions to the persistence of poverty in Kenyan society. Currently the government has established District forums and committees where consultative meetings are held with the community members who are considered essential stakeholders.

Upto now the urban poor who constitute over 60 percent of the urban population in Kenya are yet to be incorporated in urban planning policies. A good percentage of traders operating in the informal markets or carrying out petty trade reside in the informal settlements. There is therefore the need to plan for urban community markets where these people can carry out their activities with less stress. Through this the traders can be in a position to support themselves and their dependants hence reducing the levels of urban poverty. The Plan aims to protect and enhance the assets and income streams of the poor; to build and enhance assets through group cooperation support for new marketing initiatives and the removal of local and national government regulations that obstruct informal business.
According to the plan, the main contribution to the eradication of income poverty in the urban areas will come from, Jua Kali and other informal sector activities, government protection of lawful informal sector activities and an improvement in the quality and quantity of employment created by the corporate sector. The government has continued to review and radically revise where necessary the many sets of municipal and central governmental regulations and enforcement which seem to hinder unnecessarily street and market trading operations.

The plan unlike the others does recognize the role of group co-operation or participation in dealing with urban poverty among the informal sector workers. Such kind of groups will help the entrepreneur in marketing their products. However the government policies are not very clear on the regulatory and operational framework of the informal sector. Their lack of participation in the formulation of the policies proves it difficult for the implementing agency to implement. The study advocates for the need of a partnership where the informal sector workers are involved in the formulation of regulations/policies, implementation and in the review.

### 3.8.1 Poverty Reduction through Micro-enterprise and Small Businesses

In Kenya, the existence of the informal sector dates back to pre-independence and it has increased becoming an important part of the economy. Despite this the enterprises are hardly given any support on flimsy grounds of their ‘illegality’ and unplanned operations. The informal economy comprises everything from the production of tooth picks by hand to the manufacture of sandals from old tires and the construction of old bottles and newspaper for recycling, food hawkers and the ubiquitous neighborhood kiosk (Racelis, 1986). This explains the sector importance in the urban economy.

In Nairobi there are many families that live in absolute poverty. A greater percentage of this population relies on unlicensed hawking and other informal sector activities to generate meager income on which to survive. The research therefore sees the need for urban planners to rationally incorporate the planning for markets in the urban
development plans in order for the vendors to effectively utilize the markets and contribute positively both to their own well being and to the growth of the economy.

The Informal sector has emerged as a major source of employment in Kenyan labor market as the domestic economic continues to experience declining capacity in agriculture sector and a slow down in modern sector activities. The sector employment in urban areas expanded from an estimated 2.2 million people in 1994 to 2.4 million in 1998 with its share standing at 64.1 percent. Among the urban areas, Nairobi city had 896,000 persons engaged in informal sector activities absorbing the highest proportion of the 245 percent (Economic Survey 2000: 59)

The sustained expansion is due to restricted job opportunities in the formal sector, with surplus labour shifting to the informal sector. The sector has also received support from government, non-governmental organizations (NGOs) in terms of infrastructure, availability of credit and training. This has led to adoption of appropriate technology and expansion of market opportunities. Not all those engaged in this sector earn an income below the national defined poverty line. Many studies suggest that a substantial number of its participants, notably in manufacturing activities earn a respectable level of income as compared to earnings in the formal sector (Ondiege P, 1995). It is nevertheless true that a majority of the informal sector participants receive low incomes below the required wage employment that currently stands at Ksh 3,665 per month especially in non-manufacturing activities.

Whilst poverty has long been recognized as a key impediment to economic growth and progress, there is a tendency to view it in a highly aggregated manner that fails to capture its real dynamics at local levels. This has resulted in municipal and city governments failing to understand and articulate their role in terms of poverty reduction. Rapid urbanization and high rates of urban growth have precipitated poverty crisis for many municipal/city governments whose planning/management capacities are weak and have a high degree of dependence on central government for resources.
3.9 Conceptual Framework

The study focused on urban markets in Nairobi, their establishment, functions and the resulting conflicts with other land users. As poverty and inequality in society permeates deep into social inter-relationships, the conflict revolving around policies that favour land zoning and/or development control vis-à-vis human activities is far from getting solutions.

Though the different types of urban community markets have been explained by Santos theoretical model, the factors in play in the emergence of urban markets in Kenya are different. The different markets have emerged due to such factors as urban planning practices, land administration, politics, human survival and market economic systems. Stage Market is a representation of the private markets that have come into existence as a result of the changing market systems. The community markets are no longer viewed as a social service but an economic land use activity that generates income to the private entrepreneur and provides revenue to the relevant council through licensing and land rates. Establishment of Kenyatta Market is based on urban land use practices while Githurai Market is one initiated to meet the basic human needs. The operations of these markets have generated activities that in turn have led to conflict with other land uses. The conflicts as discussed in the text include conflicts with road users, formal commercial shops and the residential communities.

For too long scholars and institutions in Africa have neglected to accord sufficient attentions to the pressing questions of urban markets. Little is known in concrete terms about trading activities in the urban markets. Data concerning the number of market traders and their activities is very crucial to the planning of urban community markets and in understanding of urban and regional linkages. For the few surveys carried out, there is little documented data. This has in turn prevented further advance of research and analysis in this field. This explains why the small-scale traders in the urban areas are hardly catered for when planning for the other land uses.
The location criteria of a public purpose good like a market facility is based on the distance and perceived level of utilization. Access to a market outlet is determined by place of residence and types of goods sold and cost of the goods while the levels of utilization on the other hand depend on the layout and level of infrastructure services provided. The location criteria for a sustainable urban community market outlet should consider these factors in order to minimize land use conflicts. There is need to incorporate all stakeholders in the planning process of the community markets. The stakeholders include the entrepreneurs, the relevant local authority and development partners who would assist in terms of financial capacity. Figure 3-1 is an illustration of the conceptual model.

Measures must be found to increase the lower circuits productivity, innovative potential and sustain its growth while at the same time retaining its privileged role as supplier of employment. The achievement of this will entail close control of the dielectric between the two circuits by providing detailed statistics on markets operations and the services they are supposed to offer. The upper circuit should not exploit the lower circuit by enjoying better working environment (physical and institutional) as compared to the lower circuit.
Figure 3.1  The Conceptual Model of the Study

URBAN COMMUNITY MARKETS IN KENYA

Functions
Provision of Goods and Services
Employment
Revenue

Space/conflict zone
- Environment degradable
- Incompatibility
- Congestion
- Loss of life and property
- Local authority
- Central government
- CBO/NGO

Supportive infrastructure
- Sanitation
- Water
- Electricity
- Solid waste management
- Garbage

Agencies/institutions
- Household
- Local authority
- Central government
- CBO/NGO

Intervention measures
- Regulatory measures
- Planning policies
- Partnership policies
- Political will
- Land administration
- Urban land use practices

Sustainable Urban Community markets
CHAPTER FOUR
URBAN COMMUNITY MARKETS IN NAIROBI

4.0 Introduction

Nairobi, the capital city of Kenya owes its origin to the construction of the Mombasa-Uganda railway. The line reached the site where Nairobi stands now on 30th May 1899. An embarking base was soon established (Obudho, 1981). Thereafter Nairobi Municipal Regulation were published on the 16th April 1900. They defined the township of Nairobi according to the article 45 of the East African Order Council and marked the birth of Local Government in Nairobi (Smart, 1950).

By 1906 definite land use zones marking clear urban development had emerged. Commercial buildings were located along Government Road (now Moi Avenue) and along Victoria Street (now Tom Mboya). Indian Bazaar was located at a site south of Government Road. Residential areas were very dispersed. In 1920, Nairobi was declared a Municipality and a second boundary was established to include areas of Parklands. By 1927, two boundaries were extended to include areas of Muthaiga, Westlands, Kilimani and Eastleigh. The colonial government granted Nairobi the city status in 1950 (Obudho, R.A. 1981). The present boundary of Nairobi was drawn in 1964 to encompass an area of 680 km² that has currently expanded to encompass an area of 696km². Figure 4-1 shows Nairobi in the national context. This new boundary included areas such as Karen, Nairobi, Dandora, Kahawa, and Garden Estate. Ruaraka, Njiru and Githurai.

4.1 Urban Planning in Nairobi

The first attempt to plan for Nairobi dates back to the early 1920s when a local government commission was appointed to investigate aspects of Nairobi Municipality. This activity coincided with the implementation of the Town Planning Ordinance of 1931 into Kenya Government. This law has remained a part of the government's legislative laws. It became the first time that zoning and plans arrangement was done. Boundary extensions were drawn that marked Nairobi as a colonial city up to 1963. However there
Figure 4-1 Nairobi in the National Context
was no overall city plan. The Nairobi Master Plan of 1948 was prepared to solve the previous problem of lack of a city plan. This plan was to assist in implementing building by-laws and reinforce racial segregation in city growth and development. The most far-reaching effect of the Master Plan was that it took away the veto from the railway administration and bestowed the authority for change in city Hall. The plan earmarked land for residential, industrial and commercial uses. The markets were organized in the plan as part of a neighbourhood unit based on the population size. The neighbourhood unit concept included 1200-3000 households and a complementary and balanced provision of open spaces, schools, shops, public buildings and local service industries (White 1948:46). The plan failed because it was tailored to favor the colonial masters rather than the natives.

The third major urban planning activity for the whole city was in Nairobi Metropolitan Growth Strategy of 1973 (Nairobi City Council, vol. 1 and 2 1973). The strategy was formulated on a comprehensive basis in the context of urban structure planning then popular in Britain (Planning Advisory Group Report, 1965). In this strategy the markets were also grouped as a commercial activity. The study recognized different types of markets such as a local market and a major market. The classification is based on catchment population which is the population required to support that specific market.

A local market was conceived as part of a neighbourhood community market while a major market could mean an urban or a citywide market such as Wakulima. A local market was supposed to serve a catchment population of 5000 people. These markets were constructed by local councils as superstructures with small apartments or stalls. These markets were meant to serve residential estates. The markets were therefore planned as part of the housing development. According to Mbogua a market stall was required to serve a catchment population of 150 people. This means that the size of a local market depended on the population size of a residential estate.

A major market on the other hand needed a catchment population of over 20,000 people. This means that such a market served a population beyond the neighbourhood boundary.
This market had to be located in an urban area where it is accessible to everybody. In order to provide space to cater for more people, a major market was constructed with no permanent stalls but the trading activities took place under one roof. Since the local authorities no longer provide the above mentioned market types, the private sector with reference to markets provision has taken over the position of major public markets as had been mentioned in the theoretical and conceptual framework. Markets like the Mall and Sarit centre serve populations beyond the Nairobi.

However considering the catchment population served, Kenyatta and Githurai markets can be categorized as Major Markets while Stage Market can be categorized as a Local Market. This is in consideration of the existence of the other major markets such as Gikomba and Wakulima Markets neighbouring Stage Market. These markets serve higher populations compared to the Stage Market. However, the rapid growth of the city outgrows most of the strategic plans developed leading to haphazard developments especially the mushrooming of informal sector activities and informal settlements.

4.2 Demographic Trends
The population of Nairobi was a mere 8,000 in 1901. This number increased to 11,976 in 1948, one year before Nairobi was elevated to city status. However the city remained a restricted go-region for the African population remaining largely a European and Asian town. Urban community markets that were then planned for served this population with two (Kariokor and Burma market) established to serve the needs of the small residential population in the city by then.

After independence in 1963, two important changes took place. These were the expansion of the city boundary and lifting off the ban that restricted rural-urban migration. As a result of this, Nairobi experienced an upsurge of in migration. Population increased to 350,000, then it grew at 7-9 percent per annum to 835,000 in 1979 (Kingoriah, 1980). The latest population census in 1999 shows the city has a population of 2.2 million people growing at 7 percent per annum but as high as 10 percent in the informal settlement. Informal settlements are associated with informal community market places
that emerge without any planning guidelines but rather spring as people search for alternative means of survival. Githurai is an example of an informal market found in a low-income area where people own small business enterprises that are their main source of income. The market is located in one of the highly populated areas in Nairobi. Githurai Open-air Market though under Ruiru Municipality, serves mostly people within Kasarani Division in Nairobi. Githurai Location where the market site is located has a population density of 9,385 persons/km². Stage Market though a private market is located among the low-income residents with a population of as high as 13,196 persons/km² within Kamukunji Location. Kenyatta Market on the other hand is situated in the medium income zone that has a low population density of 362 persons/km² within Langata Location. (Kenya, 1999). This justifies the need to sufficiently plan for the urban community markets in order for them to provide the necessary services to this population.

4.3 Functions of Nairobi

The physical expansion of the city and increase in the population set in motion other urban growth and development factors reflected in the functions of the city today. The functions range from administration, economic, commercial and international functions.

4.3.1 Administration Functions

Administratively Nairobi is the national capital. It is the seat of government and is the headquarters of the three important arms of the government that include the Legislature, Executive and the Judiciary. All government institutions and quasi-institutions are administered from Nairobi through the district headquarters or regional offices. In terms of political administration Nairobi is divided into eight administrative units as shown in figure 4-2. These are Central, Kasarani, Pumwani, Embakasi, Kibera, Makandara, Dagorreti and Westlands. Each of this administrative unit is designated as a constituency.

In order to facilitate efficient management, the administrative units are further subdivided into wards that are administered by councilors. Though the markets fall under the local authority any policies formulated and By-laws adopted must have the consent of the central government through the ministry of local government.
4.3.2 Commercial and Economic Functions

Commercial refers to all trading activities which range from formal to informal activities. Nairobi is the heart of all major business activities ranging from retail, wholesale, industries, banking, hotels, community markets to petty trade. Any upcoming entrepreneur would wish to invest within Nairobi. This is attributed to the better infrastructure and services that enhance trade development and growth. Due to the high and diverse population, Nairobi does provide a ready market for various types of goods. The urban community markets which are under this category of functions cater for a high percentage of people engaged in commercial activities.

The urban community markets provide a ready market for goods from the formal commercial traders. For example most hawkers buy some of their wares from the shops. The industries are a major source of goods (raw or finished) for the urban community.
markets and other regional markets. Nairobi being the capital city experience high numbers of immigrants who come to search for better employment opportunities. Nairobi has diverse economic sectors that offer jobs requiring both skilled and semi-skilled labour. The diverse financial institutions within the city should assist the entrepreneurs by advancing micro-credit facilities to them since this is a major handicap to small-scale entrepreneurs.

4.3.3 Regional and International Functions

Nairobi is linked to the rest of the world through the Jomo Kenyatta International Airport. The Airport plus the other local airports facilitate not only communication system but also improves the trade in terms of exporting jua-kali goods and tourism industry. Nairobi hosts major international bodies. Such organizations include among others, ICRAF and ILRI. Nairobi is also a regional headquarters for both international and bilateral trading companies such as UNEP, CIDA and UNICEF.

These functions of Nairobi have attracted a large proportion of the Kenyan population looking for employment, socio-cultural amenities it provides leading to the urban population explosion. The urban and local authorities that surround the city which include districts of Kiambu, Kajiado, Thika and Machakos cover approximately 6000 km with an estimated of 2.3 million people. These local authorities are less endowed with resources and this results in depending on the city for basic services while the city relies on them for housing and agriculture produce. Nairobi is therefore not only the principal urban center of population, but it is also the social, economic and communication hub of the whole country— a classic primate city.

4.4 Growth of Commercial Areas in Nairobi

After independence, the government of Kenya adopted economic policies with the view of improving national economy. The result was the expansion of the existing business and industrial enterprises creating a growing demand for office and industrial space. This led to the rapid urban development in areas that did not have properties. However this
development was least coordinated. Nairobi was also experiencing an influx of new job seekers in great numbers from the rural areas, which intensified the urban unemployment problem.

Traders from neighbouring urban centres of Kiambu, Limuru and Thika flocked to the city to sell their goods. Most of these traders did their selling in open-air markets, street hawking as well as the various open spaces they could find. This led to slow but real problem of traffic congestion. Meanwhile other local commercial centres such as Karen, Langata, Westlands, Adams Arcade, Hurligham and Buru Buru were expanding to meet the shopping needs of the urban population. These centres are now major market centres in their own rights and have added to the growing problems of internal organization of the city through existing urban planning. Figure 4-3 shows the major market centres in Nairobi.

Currently Nairobi can be divided into two main categories of commercial organization. The first is the modern commercial zone. This consists of wholesale and retail shops, supermarkets and shopping Malls, all located in planned commercial centres. The building, servicing and functioning of these land uses follow the laid down planning standards and regulations of Nairobi City Council, Department of City Planning and Architecture.

The second category is the market place whose activities include subsistence trading, low levels of investments and infrastructure services and has small-scale business operations. Most of these markets are found in the peri-urban zones where there is high concentration of urban population. Planners tend to ignore preparing layout plans for these markets. There is also widespread neglect to prepare forward plans for similar markets in order to provide for future sites and ancillary infrastructure and services.

It is interesting to note that Nairobi City Council has not been constrained in carrying out surveys on urban community markets in Nairobi to determine their suitable location. Hill (1977) in his review article journal, *markets in Africa*, puts,
"...our African market is one of the most uncomfortable and inconvenient places in the world in which to conduct a respectable research. They are complex, very few are documented and it is difficult to trouble informants at their moment of maximum anxiety, when they are concluding transactions" (Wilson, 1973).
Figure 4.3. Major Markets in Nairobi.

Kiambu District.

Kangundo District.
4.5 Inter and Intra Linkages with Rural and other Urban Centres

Ongoing urban growth and development of Nairobi will continue to influence immediate and far off rural and urban centres through a complex system of flow of goods, services, people and communication network. This influence in form of inter (between Nairobi and others) and intra (within Nairobi city itself) linkage spread within the city, Kenya and East Africa region. Figure 4-4 shows Nairobi in the regional context.

4.5.1 Intra-linkages

Nairobi has continued to enjoy better infrastructure and services compared to the other satellite towns. Despite the fact that services have been decentralized to these satellite centres as a means of decongesting the city, Nairobi still enjoys some forward linkages. People always travel to Nairobi from such towns as Langata, Karen, Westlands Dagoretti, Kasarani and Ngara for services and goods in the city centre. Among those services are banking, health, education and professional services. Each of this satellite town has a community market. Majority of the traders in these community markets get their goods from the city. Among the markets in Nairobi where the traders source their goods from, include Wakulima, Gikomba and the different boutiques in the town center. From Wakulima the goods sold are dominantly farm produce while in Gikomba goods bought range from clothes, shoes and beddings. The boutiques within the town center specialize in new clothes and shoes.

4.5.2 Inter-linkages

The high urban population growth rate of Nairobi has led to overstretching of the city beyond its geographical boundaries. The districts neighbouring Nairobi such as Kiambu, Thika, Machakos and Kajiado are now part of the larger Nairobi metropolitan region. In fact a number of people who work in Nairobi commute daily from these districts. While Nairobi provides employment, the neighbouring districts provide accommodation. Any forward planning for Nairobi has to take into consideration the growth of these towns.

In reference to trade, Nairobi is a major market for the whole country. Traders from peri-urban areas such as Githurai, Athi river, Ngong, Kenyatta, Ruiru get most of their wares
and goods from Nairobi. The main markets that supply them are Gikomba and Wakulima markets. Other traders from different provinces in the country travel to Nairobi either to sell agriculture produce in bulk or to buy second-hand clothes usually on wholesale to sell them in their hometowns. Nairobi is a major market outlet for both Agriculture and non-Agriculture goods. A market like Wakulima is a market outlet for farm produce not only from Kenyan region but goods such as potatoes; onions and oranges are brought from Uganda, Tanzania and Zambia. The market accounts for 30 percent of total wholesale trade taking place within the country. Most of the other wholesale trade takes place on disintegrated areas and is hardly accounted for. However due to the poor organization of the market, surveys carried out have shown that the Nairobi City Council looses about Ksh300, 000 per month in revenue collection. This shows the need to plan for the urban community markets effectively in order to benefit both the users and the council.

The markets that do not deal with farm produce act as main supplies of goods to traders from other districts in Kenya. Market like Garissa lodge in Eastleigh that specializes in clothware has a catchment population covering all provinces in the country. The same trend is experienced with council markets such as Kenyatta, Kariobangi, and Umoja among others. These markets get their customers from beyond Nairobi. Nairobi as a city has other international linkages beyond the African content. In terms of trade, new clothes and shoes sold in the community markets in Nairobi especially in the planned markets are imported from overseas countries such as Britain, United States, Germany and Dubai among others. The linkages between Nairobi and the other regions are illustrated in Figure 4-5.

The traders prefer Nairobi as their trading site for various reasons. Nairobi offers a large market area. This is attributed to its large population of 2.1 million people as per the 1999 population census who provide the demand for various goods traded. The well established transport network and the availability of different modes of transport at reasonable rates attract traders to transport their goods to Nairobi. The increased social interaction between the hinterlands and the city is yet as another reason why traders
prefer Nairobi as their market outlet. The availability of accommodation from friends and relatives allow traders to come and transact business and leave at their own convenient.

**Figure 4-5 Nairobi Intra and Interregional linkages**

Key:

1. Nairobi intra-linkages
2. Nairobi metropolitan linkages
3. Other urban and rural inter-linkages
4. Sub-regional inter-linkages
5. Other parts of the world
4.6 Types of City Council Markets in Nairobi

Nairobi city council has a total of 31 markets as shown in Table 4-1.

Table 4.1 Nairobi City Council Markets

<table>
<thead>
<tr>
<th>NAME OF MARKET</th>
<th>TYPE</th>
<th>NUMBER OF STALLS</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Pumwani</td>
<td>Rental</td>
<td>44</td>
</tr>
<tr>
<td>Jogoo Road</td>
<td>Rental</td>
<td>450</td>
</tr>
<tr>
<td>Shauri moyo</td>
<td>Rental</td>
<td>274</td>
</tr>
<tr>
<td>Landhies road</td>
<td>Rental</td>
<td>72</td>
</tr>
<tr>
<td>Kariokor</td>
<td>Rental</td>
<td>206</td>
</tr>
<tr>
<td>Westlands</td>
<td>Rental</td>
<td>95</td>
</tr>
<tr>
<td>Kariobangi North</td>
<td>Tenant Purchase</td>
<td>646</td>
</tr>
<tr>
<td>Githurai</td>
<td>Rental</td>
<td>295</td>
</tr>
<tr>
<td>Jericho</td>
<td>Self constructed</td>
<td>482</td>
</tr>
<tr>
<td>Kenyatta Market</td>
<td>Tenant Purchase</td>
<td>608</td>
</tr>
<tr>
<td>Kahawa West</td>
<td>Tenant Purchase</td>
<td>335</td>
</tr>
<tr>
<td>Dandora (6)</td>
<td>Rental</td>
<td>584</td>
</tr>
<tr>
<td>Umoja (2)</td>
<td>Self constructed</td>
<td>320</td>
</tr>
<tr>
<td>Kariobangi North &amp; South</td>
<td>Self constructed</td>
<td>156</td>
</tr>
<tr>
<td>Eastleigh</td>
<td>Self constructed</td>
<td>301</td>
</tr>
<tr>
<td>Karen</td>
<td>Rental</td>
<td>87</td>
</tr>
<tr>
<td>Ngara</td>
<td>Rental</td>
<td>321</td>
</tr>
<tr>
<td>Wakulima</td>
<td>Wholesale</td>
<td>-</td>
</tr>
<tr>
<td>Kibera</td>
<td>Self constructed</td>
<td>672</td>
</tr>
<tr>
<td>Quarrying road</td>
<td>Self constructed</td>
<td>273</td>
</tr>
<tr>
<td>City Market</td>
<td>Rental</td>
<td>117</td>
</tr>
<tr>
<td>Mathare North</td>
<td>Tenant purchase</td>
<td>Not stated</td>
</tr>
<tr>
<td>Kayole (3)</td>
<td>Self constructed</td>
<td>Not stated</td>
</tr>
</tbody>
</table>

There are three categories of markets.

4.6.1 Nairobi City Council Wholesale Market

Wakulima is the only wholesale market within Nairobi City. It is the oldest wholesale market with no stalls within the market. Traders display their produce on specified spaces on the cemented floor. They are charged according to the amount of goods they
sell. The market specializes on foodstuffs such as tomatoes, potatoes and all other farm produce. The market is usually overcrowded and for its poor sanitation it is an environmental hazard. Garbage is not collected regularly. This lends the ground soggy and wet during the wet season. The lack of space to expand, poor circulation within the market and accessibility, are some of the problems associated with Wakulima market. During the market hours the operations are a nightmare due to conflicts with the vehicles, pedestrians, traders and handcart users. Plans to relocate the market are still being explored.

4.6.2 Nairobi City Council Formal Urban Community Markets

These are markets that have been built up into small stalls usually measuring 2m by 3m with either permanent or temporary materials by the Nairobi City Council. These markets have been divided further into two types;

(i) **Rental Markets**: These are the markets that are built by the council and are allocated to traders who pay a rent fee at the end of the month. Githurai, Kibera City Market, Ladhies Ngara retail markets are examples of such markets.

(ii) **Tenant Purchase**: These are the markets that the city council has constructed perimeter wall, constructed the stalls, installed water, electricity and sanitation facilities. The council has then sold the stalls to traders at a fee depending on the size of the stall. The traders are supposed to pay a down payment and the rest in installments for a period of 12 years. On completing the purchasing price the buyer owns the stall permanently and the only money the entrepreneurs pay to the council are the land rates and the administrative fee. Kenyatta market is one of this type of market.

(III) **Self-constructed**: These are plots allocated to traders by the relevant council. The traders are supposed to put up standardized stall structures from where they carry out their business activities. In these markets traders pay license fee and monthly rent fee to the councils. Examples of such markets are Kariobangi North, Kayole and Eastleigh.
4.6.2 Informal Urban Community Markets

These are spontaneous markets. They have little or no provision of infrastructure and services. The markets may or may not be demarcated with a fence for ease of management and fees collection. Trading activities are not protected against the natural elements such as sun, wind, rain, and they therefore operate under extremely unhealthy environments. Examples of these markets include among others, Kawangware, Kangemi, Githurai, Kamukunji and Gikomba. The council usually collects levies from these markets but hardly reinvests in the development or improvement of infrastructure services. These markets offer a diversity of goods and services ranging from second hand clothes and shoes, toys, hardware and groceries beside a wide range of cafes and restaurants.

4.6.3 Private Formal Urban Community Markets.

The urban private formal market is a more recent trading activity in Kenya cities. Their recent entry into the economic system is a pointer to changing conditions in the market place, production and consumption relations. Among them in Nairobi include the Sarit centre, Village market, Uchumi-hyper Market and the Muthaiga Shopping Complex. These are planned using the shopping Mall complex and though they fall under the same category with Stage Market, they are slightly different in that they are planned as different shopping centers under one building. These are the third type of urban community markets that the study has interest in. These types of markets sometimes locate in the low-income group residential and commercial areas. In this case private developers have built markets that tend to reflect council formal urban community markets in their planning and design principals. This new private initiative is a response to the fact that Nairobi City Council no longer builds the public markets.

4.7 Levels of Infrastructure and Services

The provision of basic infrastructure is essential for the establishment and growth of the small-scale enterprises. Most of the Nairobi City Council Markets are inadequately provided with basic infrastructure and services such as roads, electricity, water and sanitation. Infrastructure and services offered at privately owned markets are of higher
standard than those in the council markets. The circulation within the market area, accessibility of the markets, water supply solid waste disposal and sanitation system are all good.

The time and effort spent on site selection, survey and planning for a market should never be overlooked. This is because a market is not like other commercial activities that can be closed down or relocated to a different premise or site. Ones established it becomes a permanent feature of urban land use irrespective of the wrong location or siting. Relocating it would involve heavy costs and expenses which is beyond the councils reach. Poorly selected market site can be faced with problems such as drainage, erosion and inaccessibility.

4.8 Case Study Markets
The researcher has selected three markers within Nairobi for a detailed study. The three markets are Kenyatta, which is a City Council retail market, Githurai Open-Air Market that developed spontaneously and Stage Market which is a privately owned property. Githurai Market is located just on the border of Nairobi and Thika. As a result most of the people served by this market fall under Kasarani division which is one of the administrative units of Nairobi. It is one of the highly densely populated areas of Nairobi with a population of 338,925 and a population density of 3955. Stage market falls under Pumwani division and has a population of 202,211 people and a population density of 17,283. Kenyatta market is in Kibera division which holds a population of 286,739 people with a density of 1289 people per square kilometre (RoK, 2000). According to the analysis Pumwani division is the most populated followed by Kasarani and Kibera. In order to meet market needs for such high population, there is need for careful planning for a community market outlet that meets the socio-economic needs of the market users without compromising the environmental needs.

4.8.1 Kenyatta Market
Kenyatta Market was formally opened to traders in 1987. It occupies a land area of 3 acres and has a total of 608 stalls. The market was built as a tenant purchase market to
cater for the market needs of the growing residential population in Sunview, Golf course, Ngumo, Kenyatta and Kibera areas. With time the market has replaced the old Kenyatta Hospital Market, which is now left to specialize in roasted meat and beer drinking. The current occupiers of the stalls are mostly sub-tenants of whom 90 percent are women. Their businesses have employed over 3,000 people. By the time of the study an ordinary business stall was selling at Ksh 42,000.

Kenyatta Market is situated five kilometers from the city center meaning that it is easily accessible. The business prospectors come from city center, industrial area and the outskirts of Nairobi with high populations. The surrounding estates have contributed tremendously to the growth of the market and the business center as a whole. The type of services offered within the market range from tailoring, embroidery, repair works, saloons and beauty parlors, boutiques, hotels, butcheries and general shops.

On the physical layout, the business stalls are arranged in straight rows separated by a 1-2 metre path as the public access. The market has a laid down infrastructure network in terms of water and sanitation but the services have been mismanaged. The market has a wide parking bay though over the weekend, the parking is inadequate due to high customer turnover. The enterprises are grouped together according to their compatibility level such that enterprises dealing with tailoring are on their own section away from the food restaurants and butcheries. The same applies to boutiques and the saloons. An illustration on the existing layout of Kenyatta Market is shown in Figure 4-6. However due to demand for space there has been modification on the original designs of the stalls generating more activities that are not compatible.

4.8.2 Githurai Open-air Market

The Githurai market is one of the spontaneous markets in bigger Nairobi. It is located on the Nairobi-Thika border in Kasarani division, Kahawa location in Kahawa south sub-location. It emerged in 1990 when hawkers started selling along the road. Due to conflict with other users an alternative site had to be sought. The current site was officially allocated to the hawkers in 1992 under a presidential decree. The built up
Githurai retail market could not serve the fast growing population within the Kasarani division and the stalls proved too expensive for most unemployed people to afford. The market specializes in farm produce and secondhand clothes. Githurai Open-air Market falls within Ruiru municipality in Thika district. Apart from Githurai Open-air Market the municipality owns other markets such as Ruiru open air, Jacaranda open air (periodic) and Thome market, which by the time of field study had not started operating.

Currently it has been one of the most controversial market sites with reference to urban planning land use. The market has a temporary fence to limit its activities. However, the marketing activities overspill from the fenced area onto the open spaces including the road reserve. This has resulted to incompatibility with other users such as retailers, motor vehicles, pedestrians and the council authorities. The traders have invaded the current roundabout resulting to road accidents as they criss-cross to sell their wares. This led to constant conflicts and evictions by the Ruiru Municipal Council from the roundabout but with little success. Figure 4-7 shows the trading activities along the roundabout.

The study is out to establish the cause for this trend. There is need to find out the reason as to why the built up market does not serve the market users effectively. There is also the need to plan for the spontaneous markets since these traders not only contribute positively to the urban economy but their services are also crucial to the society they serve. The people operating in this market are mostly women and the youth and therefore vending is not only a source of income but it is their lifetime occupation. The activities found in this market range from selling of foodstuffs, second hand clothes and shoes and some repair work (watches, radio).

4.8.3 Stage Market
This is a privately owned formal community market. It is located close to the Machakos Country Bus and it falls under Pumwani Division. Its current site was a public land known as Muoroto allocated to hawkers in 1980. The site was latter sold to a private developer who ordered for the demolition of the squatter settlements. This act led to massive loss of lives and property. The market was formally opened in 1997. It is located
among the low-income people in such estates as Muthurwa, Makongeni, Jericho and Kamukunji.

The business enterprises found in this market sell goods ranging from household goods, hawker items, and have services as restaurants, butcheries, supermarket and hardware shops. The types of services offered in this market are far beyond the economic reach of the neighborhood communities. The stalls in this market are arranged in straight rows with a spacious public access of 3 metres. Figure 4-8 is an illustration of the existing layout of Stage Market.
Figure 4-6 Existing Kenyatta Market Layout

Sunview Estate.

Access road.

Parking

Not to scale.
Figure 4.7. Trading Activities Along The Roundabout.
Figure 4-8 Existing Stage Market Layout

- Garbage bins
- Parking station
- Hawkers goods (decorations, toys)
- Hardware
- Music store
- Hawkers goods
- Electronic shop
- Stationary
- Office
- Electronic shop
- Saloon
- Mitumba bale
- Drainage channel
- Hawkers goods
- Assorted mens ware (belts, shoes)
- General merchandise
- Undeveloped area
- Not to Scale
5.0 Introduction
This chapter deals with data analysis, presentation and discussion about Kenyatta, Githurai Open-Air and Stage Markets. It aims to address the issues raised in the research question and those in the objectives of the study in particular.

5.1 Distribution of the Business Activities within the Markets
The enterprises surveyed were grouped into three categories. The first category was manufacturing, second was service and the third one was common trade/general merchandise. In Stage Market there were only two sectors, that is service (12%) and trade (88%). Out of the sixty-five stalls, forty-five (45) of them were dealing with hawker's goods and about ten were shops selling general merchandise.

Kenyatta Market had enterprises distributed in the three sectors with manufacturing taking (13%), service (48%) and trade (39%). Githurai Open-air Market had activities in service sector (4%) and common trade sector took (96%). Because it is an open-air market, majority of traders specialized on selling clothes, farm produce and cutlery. Table 5-1 shows the different categories of enterprises surveyed per market.
Table 5-1 Number of Enterprises Surveyed Per Category by Market.

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>MARKETS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>KENYATTA</td>
</tr>
<tr>
<td>1. Manufacturing (Total)</td>
<td>4</td>
</tr>
<tr>
<td>Tailoring/embroidery</td>
<td>3</td>
</tr>
<tr>
<td>Metal works</td>
<td>1</td>
</tr>
<tr>
<td>2. Service (Total)</td>
<td>15</td>
</tr>
<tr>
<td>Food Restaurant</td>
<td>4</td>
</tr>
<tr>
<td>Saloon/barber</td>
<td>6</td>
</tr>
<tr>
<td>Butchery</td>
<td>1</td>
</tr>
<tr>
<td>Shoe Repair</td>
<td>2</td>
</tr>
<tr>
<td>Electronic Repair</td>
<td>2</td>
</tr>
<tr>
<td>3. Trade (Total)</td>
<td>12</td>
</tr>
<tr>
<td>Boutique</td>
<td>7</td>
</tr>
<tr>
<td>Hardware</td>
<td>1</td>
</tr>
<tr>
<td>Farm Produce</td>
<td>None</td>
</tr>
<tr>
<td>Wholesale Shop</td>
<td>None</td>
</tr>
<tr>
<td>Hawking</td>
<td>None</td>
</tr>
<tr>
<td>Household Goods</td>
<td>None</td>
</tr>
<tr>
<td>Stationary</td>
<td>2</td>
</tr>
<tr>
<td>Materials/ wall linings</td>
<td>2</td>
</tr>
<tr>
<td>Mitumba (clothes/shoes)</td>
<td>None</td>
</tr>
</tbody>
</table>

From Table 5-1, it emerges that the major enterprises in the three markets are trade oriented followed by service sector and lastly the manufacturing sector. The trade sector had the highest number of enterprises surveyed accounting for 54 enterprises. Service sector was the
second with a total of 18 enterprises while the manufacturing sector had 4 enterprises surveyed.

Figures 5-1 Business by Sector Categories in Kenyatta, Githurai and Stage Markets

Figure 5-1(a) Manufacturing

Figure 5-1(b) Service

Figure 5-1(c) Trade

Figure 5-1a shows that Kenyatta Market accounted for a 100 percent of all enterprises in the manufacturing sector. This can be attributed to the fact that manufacturing activities existed only in Kenyatta Market. Figure 5-1b shows that Kenyatta Market had the highest number
of activities in the service sector accounting for 83 percent. Stage Market was second with 11 percent while Githurai Market constituted 6 percent only. Finally figure 5-1c show that Githurai Market had the highest number of enterprises in the Trade sector. It accounted for 50 percent. Kenyatta market unlike in manufacturing and service sectors, accounted for 22 percent of all enterprises in trade.

5.2 Enterprise Characteristic

5.2.1 Enterprise Ownership

The field survey established two types of business ownership. These were sole proprietor and partnership. Figure 5-2 demonstrates this fact.

Figure 5-2 Percentage Distribution of Enterprise Ownership by Market

As shown in Figure 5-2, most enterprises, 73 percent, 80 percent and 88 percent respectively are solely owned, only a few are run on partnership basis in all the three markets. Most entrepreneurs operate and market their goods directly without engaging services of market agents or advertising. This means that the prosperity of the enterprise depends on the ability of the owner to penetrate the market. Stage Market had 88 percent of its enterprises solely
owned. Githurai and Kenyatta Markets follow respectively with 80 and 73 percent of enterprises under sole proprietorship.

### 5.2.2 Enterprise Ownership by Gender

**Table 5-2 Percentage Distribution of Ownership by Gender**

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>MALE</th>
<th></th>
<th>FEMALE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percent</td>
<td>Number</td>
<td>Percent</td>
</tr>
<tr>
<td>Tailoring/Embroidery</td>
<td>1</td>
<td>30</td>
<td>3</td>
<td>70</td>
</tr>
<tr>
<td>Metal works</td>
<td>1</td>
<td>100</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Restaurant</td>
<td>2</td>
<td>40</td>
<td>3</td>
<td>50</td>
</tr>
<tr>
<td>Saloon/barber</td>
<td>1</td>
<td>20</td>
<td>4</td>
<td>50</td>
</tr>
<tr>
<td>Butchery</td>
<td>2</td>
<td>90</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Shoe Repair</td>
<td>2</td>
<td>100</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Electronic Repair</td>
<td>2</td>
<td>100</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Boutiques</td>
<td>3</td>
<td>20</td>
<td>12</td>
<td>50</td>
</tr>
<tr>
<td>Hardware</td>
<td>1</td>
<td>40</td>
<td>2</td>
<td>60</td>
</tr>
<tr>
<td>Farm Produce</td>
<td>3</td>
<td>30</td>
<td>7</td>
<td>70</td>
</tr>
<tr>
<td>Wholesale Shops</td>
<td>1</td>
<td>100</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Hawkers Ware</td>
<td>6</td>
<td>71.5</td>
<td>2</td>
<td>28.5</td>
</tr>
<tr>
<td>Household Effects</td>
<td>2</td>
<td>32</td>
<td>4</td>
<td>68</td>
</tr>
<tr>
<td>Mitumba</td>
<td>2</td>
<td>50</td>
<td>3</td>
<td>50</td>
</tr>
</tbody>
</table>

From Table 5-2, the percentage ownership of the enterprises in the three markets are equally distributed. However women constitute the highest percentage in ownership of service and trade enterprises. For the enterprises that do not add up to 100 percent the difference is as a result of those enterprises that were owned on partnership. The partners were either male and female or those of the same gender. This calls for effective planning for the urban markets in order for the women entrepreneurs who not only constitute the highest percentage of the urban informal sector population but also bears the heaviest burden of taking care of families to adequately benefit from their trading activities.
5.2.3 Employment levels

Market places provide space for the operation of informal activities. The informal sector is the major employer of the urban employed resulting from the urbanization trends. The middlemen and the distributors of goods could be jobless if there was no demand for their goods in these markets. The different sub sectors employed varying number of employees depending on the enterprise establishment sizes.

Apart from butcheries, shoes/electronic repairs and metal works that demand some physical strength, all the other subsectors with employees had the females taking the highest number.

Table 5-3 gives the number of employees and their monthly income by market.

Table 5-3 Distribution of Employees and Income by Market

<table>
<thead>
<tr>
<th>ENTERPRISE</th>
<th>KENYATTA</th>
<th>GITHURAI</th>
<th>STAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Salary/month</td>
<td>Number</td>
</tr>
<tr>
<td>Manufacturing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Metal Works</td>
<td>None</td>
<td>0</td>
<td>None</td>
</tr>
<tr>
<td>Tailoring</td>
<td>4</td>
<td>4,000 - 7,000</td>
<td>None</td>
</tr>
<tr>
<td>Service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Saloon/barber</td>
<td>4 - 7</td>
<td>15,000</td>
<td>None</td>
</tr>
<tr>
<td>Butchery</td>
<td>6 - 8</td>
<td>3,000 - 4,000</td>
<td>None</td>
</tr>
<tr>
<td>Food restaurant</td>
<td>3 - 5</td>
<td>3,000 - 4,500</td>
<td>0</td>
</tr>
<tr>
<td>Trade</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Farm produce</td>
<td>None</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Boutique</td>
<td>1</td>
<td>4,500</td>
<td>0</td>
</tr>
<tr>
<td>Secondhand Clothes</td>
<td>None</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Secondhand Shoes</td>
<td>None</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Wholesale/Supermarket</td>
<td>None</td>
<td>0</td>
<td>None</td>
</tr>
<tr>
<td>Music Shop/Bookshop</td>
<td>+</td>
<td>4,000</td>
<td>None</td>
</tr>
<tr>
<td>Hardware</td>
<td>1</td>
<td>4,500</td>
<td>1</td>
</tr>
</tbody>
</table>

From the analysis of Table 5-3 analysis, the service sector provided the highest employment levels employing over three people per enterprise. This is because of the
high demand of customers they have to cater for per turn. Githurai Market had the least number of employees compared to the other markets. Ninety percent of the respondents did not have any employees. It was established that majority of the employees had completed secondary school or college education and had opted for employment in this sector due to lack of formal jobs.

**Figure 5-3 Percentage of Employees by Market**

Figure 5-3 shows that Kenyatta market had the highest number of employees accounting for 49 percent of total number of employees in the three markets. Stage Market was second with 45 percent and Githurai Market constituted of only 6 percent. The low number of employees in Githurai Market can be explained by the fact that being a spontaneous market, most entrepreneurs carry out market activities as a means of survival that can earn them some basic income. The meager returns gotten from the businesses cannot afford to hire extra labour.
The three markets had different salary scales accruing to the different employees in the various sectors. Figure 5-4 shows the salary brackets for the various markets. Stage Market has the highest amount of salary paid to the employees per month. This is attributed to the fact that the entrepreneurs are engaged in other forms of employment and the business enterprises are there to supplement their incomes. Their income levels are high compared to the other business owners in the public markets hence can afford to pay higher salaries. The Stage Market being a private enterprise is bound to pay higher salaries than a public market.

Kenyatta Retail Market was second in terms of salary brackets accounting for 37 percent of salaries paid. The entrepreneurs in this market though they may not have higher incomes like those in Stage Market, the field survey found out that they are well established in terms of business or trading activities unlike their counterparts in spontaneous markets such as Githurai. Their incomes can therefore allow them to acquire extra labour.

**Figure 5-4 Categories by Salary Bracket**
5.2.4 Business Duration

Table 5-4 Distribution of Business duration By Markets

<table>
<thead>
<tr>
<th>MARKETS</th>
<th>KENYATTA</th>
<th>GITHURAI</th>
<th>STAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGE (years)</td>
<td>Number</td>
<td>Percent</td>
<td>Number</td>
</tr>
<tr>
<td>1 - 2</td>
<td>5</td>
<td>16.1</td>
<td>8</td>
</tr>
<tr>
<td>3 - 4</td>
<td>8</td>
<td>25.8</td>
<td>8</td>
</tr>
<tr>
<td>5 - 6</td>
<td>2</td>
<td>6.5</td>
<td>4</td>
</tr>
<tr>
<td>7 - 8</td>
<td>3</td>
<td>12.9</td>
<td>2</td>
</tr>
<tr>
<td>9 - 10</td>
<td>6</td>
<td>19.4</td>
<td>2</td>
</tr>
<tr>
<td>&gt;10</td>
<td>3</td>
<td>12.8</td>
<td>3</td>
</tr>
</tbody>
</table>

According to table 5-4 majority of businesses in Kenyatta Market were established 3-4 years ago and they constituted 25.8 percent of the total businesses. Only 6.5 percent of the enterprises surveyed in Kenyatta Market had duration of 5 years to 6 years. Over 50 percentage of the businesses within this market were established over seven years ago. In Githurai Market 57 percent of the businesses had duration of between 1-4 years since the time of their establishment. Within Stage Market, 53 percent of the enterprises had been in operation for the last four years. The duration under which a business has been in operation depends on the age of the market. This is why most businesses in Stage Market were only three years old since the market was established in 1997 unlike Kenyatta Market that is 13 years.

5.3 Socio-Economic Characteristic of Entrepreneurs

This section presents the household analysis for the owners of the various enterprises. These include the household size, education levels, marital status, and occupation. Understanding the household characteristics will give an insight on the nature of people engaged in trading activities, their lifestyle in order to appreciate the significance of these markets.
5.3.1 Household Size
The average household size for enterprise owners interviewed in the three markets was Githurai (seven), Kenyatta (six) and stage market (five). In Githurai Market statistics revealed that majority of traders interviewed had young families with 55 percent (55%) of their children in the school going age (primary). This shows the high responsibility shouldered by the traders on providing education and who have to rely on the trading activities as their source of income.

5.3.2 Education Levels
Field survey revealed that in the three markets studied, majority of business owners had attained secondary school education and above. This is an indication that the entrepreneurs are literate unlike the general misconception that majority of them have no formal education.

Figure 5-5 Percentage Distribution of Education Status by Market

According to figure 5-5, 55 percent of entrepreneurs interviewed in Kenyatta Market had attained Secondary education while 32 percent had achieved college education. In Githurai
Market, 57 percent of the entrepreneurs interviewed had gone beyond primary education while 43 percent acknowledged having attained Primary education. In Stage Market all the entrepreneurs interviewed had attained Secondary education and above with 53 percent having attained higher education. This shows that none of the entrepreneurs in the three markets is illiterate. All of them had achieved the basic education.

5.3.4 Marital Status
The respondents from the three markets revealed varying marital status as indicated in Figure 5-6.

Figure 5-6 Distribution of Marital Status by Markets

It is clear from the survey that majority of entrepreneurs are married people. Figure 5-8 shows the marital status of the entrepreneurs in Kenyatta Market. 53 percent of those interviewed were married, 35 percent single and 12 percent were divorced or windowed. Seventy one percent of the entrepreneurs in Githurai Market were married, 4 percent divorced/windowed and 25 percent single. Stage Market had only two categories of marital
status. These were 65 percent married and 35 percent single. This means that over a third of the entrepreneurs within the markets are single. This means that they have to meet their livelihood needs single-handedly. As such there is need to plan for the markets so that the entrepreneurs can fully exploit their potential and transact their businesses fully with less strain.

5.3.5 Occupation Status
The occupation status of the entrepreneurs was analyzed to determine those who had other sources of income and those who solely relied on the business enterprise.

Figure 5-7 Distribution of Occupation Status by Markets

From figure 5-9, it can be deduced that apart from Stage market, most of the entrepreneurs from Kenyatta and Githurai markets relied on the business enterprises as their main source of income. This is illustrated by the fact that 91.3 percent and 85.7 percent of the entrepreneurs from Kenyatta and Githurai Markets respectively had the business as their major occupation (informal). In Stage market 70.6 percent of those interviewed were engaged in formal employment and the enterprises acted their secondary sources of income.
5.3.6 Technical Education

It is believed that most entrepreneurs start businesses as a result of technical knowledge gained after school. The Figure 5-10 below shows the responses given on type of technical education received by the different respondents.

Figure 5-8 Percentage Distribution of Technical Education Status by Market

The type of technical education referred above is that which equips one with skills relevant in business operations ranging from accounting, bookkeeping or other related basic skills. The on-job trainees were those who had acquired skills after establishing their own businesses or would have worked elsewhere under similar circumstances. Figure 5-8 shows that Kenyatta Retail Market had the highest number, 38.7 percent, in the on-job training category followed by Stage Market, 11.6 percent and Githurai Market, 3.6 percent respectively. Most of these traders are engaged in tailoring or embroidery, repair works, restaurants, hair salons and barber shops. However majority of the entrepreneurs had no technical education that accounted for 55 percent, 93 percent and 65 percent for Kenyatta, Githurai and Stage Markets respectively.
5.4 Factors Influencing Markets Location and Choice of the Enterprise

Previous studies have shown that there are crucial factors that are considered by small-scale entrepreneurs when locating their businesses. These factors should be considered when planning for sustainable urban markets because they explain the reasons behind the emergence of most markets.

5.4.1 Enterprise Choice

The various entrepreneurs interviewed gave various reasons why they decided to operate the specific business types as shown in Figures 5-9, 5-10 and 5-11.

Figure 5-9 Distribution of Business Choice in Kenyatta

![Pie chart showing distribution of business choice in Kenyatta market.

Figure 5-9 shows that 41 percent of the entrepreneurs interviewed in Kenyatta Market chose to invest in various enterprises for personal reasons. Thirteen percent established their
enterprises as a result of formal employment while 26 percent of those interviewed said that they established their enterprises because they could afford.

**Figure 5-10 Distribution on Business Choice in Githurai Market**

Figure 5-10 shows that 53 percent of the traders interviewed in Githurai Market confirmed that they engaged in that particular business because that what they could afford. Personal interest came second accounting for 17 percent and lack of formal employment was third with 7 percent. Other reasons given in this market as reasons for choice of business were accessibility to materials, 4 percent and loss of formal employment that accounted for 4 percent.
As indicated in Figure 5-11, 82 percent of the entrepreneurs in Stage Market gave personal interest as the reason for engaging in the particular business types. It was only 12 percent of them who indicated that they engaged in the particular enterprises because they could afford it and also because they had access to materials or goods.

From the analysis above, personal interest as a reason for business choice stands out singly for Kenyatta, 41.9 percent, and Stage, 82.4 percent Markets respectively while in Githurai Market, affordability, 53.6% was the main reason for establishing the various small-scale enterprises. However, it should be noted that despite the above statistics, affordability as a reason for business choice hardly operates alone. Its is usually triggered by other factors such as lack and/or loss of formal employment which determine the amount of savings at hand hence influencing the choice of business. Affordability as a reason for business choice dictates the type and the stock of business.
5.4.1.2 Source of Initial Capital for the Enterprises

The source of capital usually dictates the amount of money available to start a business enterprise. The entrepreneur interviewed gave the following as their sources of income to start their businesses.

**Figure 5-12 Distribution on Source of Initial Capital in Kenyatta Market**

From figure 5-12 most of the traders started their businesses from their own personal savings. They accounted for 48 percent of the total sources. Out of those interviewed 23 percent indicated that they got their initial capital from both their own saving and informal borrowing. Only 10 percent got their initial capital from the bank. Other sources of capital highlighted by traders in this market were co-operative loan and employment benefits.
From figure 5-13 most of the traders interviewed from Stage Market revealed that they had gotten their initial capital to start their enterprises from own savings, bank loan and employment benefits. They accounted for 58 percent of those interviewed. Those who got loans from co-operatives constituted 21 percent while none confirmed having gotten the capital through informal borrowing. Bank and own savings as sources of capital is attributed to the fact that most of the entrepreneurs in this market had formal employment and therefore it was easier for them to accumulate savings and also acquire a bank loan unlike other entrepreneurs in these other markets who relied solely on business.
Figure 5-14 shows that 63 percent of the entrepreneurs in Githurai Market got their initial capital from their own savings. Eleven percent got their initial capital from informal borrowing while none had the bank loan as their source of capital. The formal sources of capital such as the bank, co-operative and formal employment in Stage Market can be attributed to the fact that most of the entrepreneurs had formal employment hence had the collateral to attach as security in order to acquire loans. The interests charged on bank loans are too high and they discourage traders making them result into own savings and informal borrowings. Informal borrowings had the highest percentage in Githurai Market compared to the other markets. This is explained by the fact that Githurai Market being a spontaneous market and located in a low-income area, people naturally develop stronger social ties for mutual assistance as compared to people in middle and high-income area. As a result informal borrowing is either from merry-go-rounds or from relatives.
5.4.1.3 Trade Licenses

There are different types of trading licenses given to traders by the various councils. The licenses given depend on type of business, location, size and the type of building materials. Among the licenses include the single business permits, temporary occupation license (TOL) and municipal receipts. Most of the charges for the formal trade licenses are very expensive and entrepreneurs try as much as possible to evade the charges. In open-air markets such as Githurai, the common licenses are municipal receipts and Temporary Occupation Licenses. Most small-scale traders would prefer to operate their businesses in such markets where payments are paid only when the business is in operation (municipal receipts) or where license payments are broken down to monthly payments.

In Githurai Market traders paid Ksh 10 per day while those with boutiques paid Ksh 300 per month for their TOL. Traders in Kenyatta and Stage Markets complained of high license fees charged by the Nairobi City Council (NCC) yet there were hardly any services offered by the respective council.

5.4.2 Location Factors

Various reasons can be attributed to the emergence and location of different market types within the urban areas.

5.4.2.1 Transport

The aspect of transport network is very crucial for the full operation of any market. Transport in reference to market location is viewed in terms of accessibility and efficiency. Entrepreneurs would always locate in areas where they will incur minimal costs when traveling or transporting goods. Entrepreneurs if allowed would wish to locate on major streets or roads where their goods are accessible to their customers. This was the scenario in Githurai market where the traders had moved out of the fenced area to locate on the road reserve and on the pavement of formal business. Trading activities were located along the road reserve as shown in Plate 5-1.
Kenyatta retail market site on the other hand was found appropriate by the then Nairobi City Commission due to its proximity to the town centre located only five kilometers from the city centre and well accessed with a good road network. The market had a wide catchment population both within and outside Nairobi. 30 percent of the traders preferred the market because it was accessible both to them and their customers with reference to distance and cost. However due to inefficient enforcement of the by-laws, so many other trading activities have mushroomed outside the planned market 'killing' the market gradually. Stage Market was strategically located to tap customers from the central business district since it is located about two kilometres from the city centre.

5.4.2.2 Residency and Ready Market
Markets places, as a social service should have their sites and locations planned for like other community services within residential neighborhoods. However due to poor locations coupled with non-performing services within the public markets, the informal sector activities locate in any available open space and leading to establishment of a market. The reason for this is that the goods sold by the traders have a ready demand/market from the residents. Most city residents prefer to buy foodstuffs on daily basis they are fresh and
sometimes because families do not have storage facilities. Market places provide convenience places by bringing services closer to the people. In Githurai market, 60 percent of entrepreneurs interviewed said that they located their businesses in Githurai because there was ready market for their goods. From the field survey carried out the following was the outcome on residency status for the entrepreneurs and their customers.

**Figure 5-15 Percentage Distribution of Entrepreneurs Residency Status by Markets**

![](image)

It can be deduced from Figure 5-15 that 96.4 percent of entrepreneurs from Githurai, Market reside within Kasarani Division. This can be attributed to the fact that the market is a spontaneous market that emerged out of need or demand and therefore most traders are from within the vicinity.

Stage market being a private entity had 94.1 percent of its entrepreneurs living outside the division. This is attributed to the fact that the market is viewed as an economic entity where the owner capitalizes on profits. The acquiring of the premises depends on individual financial capacity. It is only 5.9 percent of the entrepreneurs who reside within
Pumwani Division. Kenyatta Market on the other hand had 41.9 percent of its entrepreneurs residing within Kibera Division. This means that majority of the entrepreneurs in Kenyatta and the Stage market have to commute daily to their business premises. From the survey it is clear that a ready market or demand for goods is necessary for establishment and growth of any market.

5.4.2.3 Local Politics
The mushrooming of trading activities in residential areas, transport corridors and all other open spaces in urban areas has a lot of influence from local politics. The vendors in the CBD and other public places get their backing either from the local chiefs or councilors. This has a lot of limitation when it comes to enforcing the law.

In Githurai Market the administration of Ruiru Municipal council attributed their failure to restore the traders back into the fenced area to the role played by local chiefs who demand a fee from the traders for them to operate along the roundabout. The current site of Stage market was formerly a public land allocated to squatters under presidential decree. However, due to political influence, money exchanged hands and the plot was finally allocated to the private developer who later put up the market that hardly serves the local community. For Kenyatta market, the trading activities outside the planned market had mushroomed under the influence of local District Officer and the chief. The traders had to contribute Ksh 50 each per week to the chief's office, which is termed as 'development fee'. The city council administrations are rendered powerless when it comes to enforcing the by laws.

5.4.2.4 Availability of Goods
Accessibility to goods for sale is very critical to enterprise establishment. Most entrepreneurs especially those dealing with goods within the common trade sector such as traders in farm produce and clothes can have their business prosper when adequately accessed to source of materials.
Most entrepreneurs from Githurai market source their farm produce from the neighbouring districts such as Thika, Kiambu and Murang'a while most clothes and shoes are bought from Gikomba. However, it should be noted that for the farm produce, middlemen from various sources usually deliver the goods. In Stage Market 52.9 percentage of those interviewed confirmed getting their goods either from wholesales or directly from the manufacturers who are located in industrial area. Twenty three and a half percent said that they imported their goods. These entrepreneurs dealt with hawkers ware. The only entrepreneur who dealt with second-hand goods also imported his goods from Belgium. In Kenyatta market 61.3 percentage confirmed getting their goods from wholesalers who were located within Nairobi.

5.4.2.5 Urban Economics and Diseconomies

The emergence of the three markets is in response to three factors. These are the availability of infrastructure facilities, the presence of planned zones and the absence of alternative planned zones. Stalls at Kenyatta and Stage Markets have a higher demand from entrepreneurs despite the high monthly rental prices. This is because they are better served with water, electricity, sanitation and had site plans prepared, approved and the stalls sold to and/or rented out owners following the laid down procedures. Fifty percent of entrepreneurs interviewed in Kenyatta Market and thirty percent in Stage Market said that they established their businesses in these markets due to availability of planned space.

Githurai open-air Market on the other hand owes its emergence to lack of a planned zone as a market place. The current site was allocated through a presidential decree since at that time the traders had become a nuisance to other road users. More traders wished to open their businesses in the site that had been fenced off but located outside. This was because of the poor layout of the market which made it impossible for them to access their customers. Eighty three percent comprising of five out of six whom the researcher had informal discussions with, confirmed locating along the roundabout because that was the most accessible site to their customers despite the risk involved.
5.4.3 Markets Inter and Intra Linkages

In order to understand the economic and social roles played by the above markets to the entrepreneurs and the whole urban economy, data on source of goods, socio-cultural flows and technological flows has been analyzed.

5.4.3.1 Goods Linkages

Table 5-5 shows the main sources of goods from the various entrepreneurs.

<table>
<thead>
<tr>
<th>SOURCE of GOODS</th>
<th>KENYATTA</th>
<th>GITHURAI</th>
<th>STAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholesalers</td>
<td>61.3</td>
<td>71.4</td>
<td>29.4</td>
</tr>
<tr>
<td>Manufacturers/imports</td>
<td>6.5</td>
<td>7.1</td>
<td>23.5</td>
</tr>
<tr>
<td>Hawkers</td>
<td>6.5</td>
<td>14.3</td>
<td>5.9</td>
</tr>
<tr>
<td>Retailers</td>
<td>16.1</td>
<td>7.1</td>
<td>5.9</td>
</tr>
<tr>
<td>Wholesalers and hawkers</td>
<td>6.5</td>
<td>None</td>
<td>23.4</td>
</tr>
<tr>
<td>Imports/wholesalers</td>
<td>3.2</td>
<td>None</td>
<td>11.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

From Table 5-5, most respondents interviewed obtained their goods from wholesalers. Majority of these traders are in the trade sector. The 6.5 percent imports from Kenyatta Market are the traders selling new clothes, shoes and decorations such as artificial flowers. Clothes and shoes were imported from Dubai while the artificial flowers were gotten from England. Imported goods from Stage Market accounted for 23.5 percentage of the entrepreneurs interviewed. The percentage is higher compared with the other markets because most of the entrepreneurs specialized on hawkers ware that included goods such as assorted toys, belts, seasonal cards, watches and various seasonal decorations. The traders imported the goods from Bombay, Hong Kong and Dubai.

In Stage Market, the major enterprises that obtain their goods from wholesalers include those selling hawkers goods, household goods and women beauty saloons. Others such as supermarkets, music store and wine stores obtain their goods either from wholesalers...
or directly from factories/manufactures. Sometimes the distributors who operate in industrial area delivered the goods to the specific stalls.

In Kenyatta Market, the 61.3 percent of enterprises who obtain their goods from wholesalers consist of enterprises in the Trade and Service category. Examples of such businesses are dressmaking, boutiques, stationary shop, saloons and barbershops. With the Manufacturing sector, most of the goods are obtained from other market outlets such as Garissa Lodge in Eastleigh, Ngara Market and Biashara Street. The 16.1 percent of those who got their goods from retailers were entrepreneurs operating saloons, restaurants and some of the boutiques selling second hand clothes. The boutiques obtain their goods from Gikomba while the saloons and barber stalls bought their goods from retailers either within the same market or outside. The restaurants bought their food products from Wakulima market.

In Githurai Market, the 71.4 percent consisted of traders dealing with farm produce, clothes, shoes and other household goods. The enterprises obtain their goods from Wakulima Wholesale Market, Gikomba Market and the suppliers of farm produce from the neighbouring districts such as Kiambu, Thika, Murang’a and Maragwa. The farm produce was predominantly horticulture goods that came from Thika and Maragwa while bananas, potatoes and other vegetables came from Murang’a and Kiambu. Seven percent of the enterprises that obtained their goods from factories are those selling cutlery and related household goods that are manufactured from industrial area.

5.4.3.2 Capital Flow

One of the major contributions of the markets is the source of income they provide to the entrepreneurs. The survey established that different enterprises provided varying amounts of incomes to the various entrepreneurs. Table 5-6 gives the average monthly turnover from the different business enterprises within the three markets. It was established that majority of entrepreneurs in Githurai Market hardly kept any records on the sales. This was due to the fact that majority of them used their earnings to meet their daily needs.
Table 5-6 Average Total Sales Per Month By Sectors.

<table>
<thead>
<tr>
<th>Sectors</th>
<th>MARKETS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>KENYATTA</td>
</tr>
<tr>
<td>Manufacturing</td>
<td></td>
</tr>
<tr>
<td>Tailoring</td>
<td>30,000</td>
</tr>
<tr>
<td>Service</td>
<td></td>
</tr>
<tr>
<td>Saloon and barber</td>
<td>50,000</td>
</tr>
<tr>
<td>Butchery</td>
<td>210,000</td>
</tr>
<tr>
<td>Restaurant</td>
<td>30,000</td>
</tr>
<tr>
<td>Trade</td>
<td></td>
</tr>
<tr>
<td>Farm produce</td>
<td>None</td>
</tr>
<tr>
<td>Boutique</td>
<td>15,000 - 700,000</td>
</tr>
<tr>
<td>Second-hand clothes</td>
<td>Not Stated</td>
</tr>
<tr>
<td>Second-hand shoes</td>
<td>None</td>
</tr>
<tr>
<td>Wholesale/supermarket</td>
<td>None</td>
</tr>
<tr>
<td>Music shop/bookshop</td>
<td>None</td>
</tr>
<tr>
<td>Hardware</td>
<td>Not Stated</td>
</tr>
</tbody>
</table>

The figures given in Table 5-6 are the total turnover before deducting the expenses such as employees' salaries and the other relevant overhead costs. The service sector had the highest turnover as compared to the other sectors of manufacturing and trade. This is attributed to the fact that the services that they offer have higher demand unlike the case with the other enterprises. However, the figures may not be a true representative of the real turnover since most traders were apprehensive about revealing the financial status of their business.

The amount of sales made per month by each enterprise depended upon the operational size of the business, the location and/or accessibility and the types of goods sold. A saloon in Kenyatta Market has a high turnover compared to those operating in Stage Market. This is attributed to the fact that most people, who go to the saloon, have also other business activities to attend to within the market. Another reason could be that, Kenyatta being an old market as compared to Stage has acquired more customers than Stage Market.
5.5 Infrastructure Services and Accessibility

It is the mandate of the planning authority to ensure that market sites are adequately serviced with the necessary infrastructure and its site is well accessed before the approval of such a market plan. The absence of the two factors leads to the collapse of any market outlet and mushrooming of business activities on other unplanned areas.

5.5.1 Infrastructure Services

The type and level of infrastructure services in any market place determines the level of utilization and operation of that specific market. The local government through the relevant councils is charged with the responsibility of providing the necessary infrastructure services such as water, sanitation, drainage system, solid waste management and electricity.

5.5.1.1 Githurai Open-air Market.

Githurai open-air market had the poorest level of infrastructure provision. With reference to water provision the whole market of over 800 traders was being served by only one communal water point. The traders complained that it was only operational in the morning when the Ruiru municipal council workers were cleaning the toilets. For the rest of the day it remained closed. The Ruiru Municipal Council on the other hand complained that the traders misused the water by commercializing it. Out of the people interviewed 53.6 percent confirmed that they carry water from their homes, only 3.6 percent borrowed drinking water from the neighbouring restaurant. Approximately 30.7 percent confirmed that they do not use water at all during working hours.

Sanitation services in Githurai Market are a nightmare. The market is served by two pit latrines located within the enclosed area of the market. Out of the entrepreneurs interviewed, only 41.3 percent make use of this facility. The rest either seek for alternatives in the nearest bars and restaurants or wait until they go back to their homes. The reasons attributed to this were the bad conditions of these toilets and insecurity resulting from mugging incidents.
Drainage within the market is very poor. The floor of Githurai Market is earth. Considering the geology of the area which comprises of cotton soils, the rate of water infiltration is very low. This makes the ground soggy especially during the wet season. Since there is no permanent roof over the market, rainwater sips through the temporary structures making the ground soggy. The market does not have any established drainage channels as shown in plate 5-2. Lack of permanent roof over the market complicates business operations within the market further when it rains. This forces most traders to relocate outside the market area where they could access their customers effectively.

Plate 5-2 Poor Drainage Systems within Githurai Market.

Solid waste management is a major environment nuisance in most urban market outlets. The Ruiru municipal council is supposed to sweep, collect and dispose off the solid waste from Githurai Market. However, from the field survey carried out, it was established that the council only sweeps the main access routes along the road. The respective traders do clean the areas around their respective stands. The garbage collected was being deposited on riparian reserve of River Kasarani. The council truck is supposed to collect the solid
waste once a month but due to their inefficient services, most of the times the waste could decompose and private individuals could collect it as farmyard manure at a fee payable to the council. Waste or leftovers from farm produce is collected by traders or farmers who use it as cattle feed. Plate 5-3 shows the solid waste disposal site for the market.

**Plate 5-3 Githurai Disposal Site: Kasarani River on the Background**

Githurai Market had no formal loading or unloading area by the time of the study. The middlemen who brought goods from other districts had to park and sell their wholesale goods especially the farm produce along the road. This caused a lot of confusion and conflict with other road users such as pedestrians and motorists. Plate 5-4 shows the scenario at the unloading area of the market.

In terms of electricity, the market had no power supply and this explains why there was no manufacturing activity taking place within the market. This also made business transactions difficult after six in the evening despite the fact that this is the time the services of the market are most needed.
5.5.1.2 Kenyatta Market

When Kenyatta Market was established it had all the necessary infrastructure services installed by the then Nairobi City Commission. However as a result of poor maintenance the some of the services have become non-functional affecting the smooth operation of the market. During the time of the study, the market had three main sources of water. These were communal, individual connections and commercial. The communal water points serving the market were three but due to the council’s poor management systems the source was quite unreliable. The source provided water to the traders 2-3 days a week. The traders who had individual connections from the Nairobi City Council supply were those in the service category such as the restaurants and saloons whose daily water demand is quite high. However due to the same reasons mentions above, the water flow was occasional and this forced them to opt for the commercial source.

The commercial water point was the initiative of the market committee who are elected from the trader’s organization within the market. This water source was established to counteract the water shortage experienced within the market. However the number of traders has increased within this market some of who are not official members of the
Trader's organization. This has lend to an increase in water demand hence the commercialization of this water source. The organization charged Ksh10 per 20 litres jelikan that some traders found to be on the higher side. During the field survey, a number of the enterprises relied on water vendors who would bring them water from other sources at a cost of Ksh 5 per 20 liters jelikan. Field survey carried out revealed that 6.5 percent of respondents had individual connection, 55 percent relied on commercial water point, while 22.6 percent relied on both individual and vendors. Plate 5-5 shows the commercial water source within the market.

Plate 5-5 The Commercial Water Source in Kenyatta Market

Kenyatta Market has nine modern toilets whose system is connected to the main sewer line. The Nairobi City Council constructed four of the toilets as part of the market infrastructure facilities. Due to the unreliable water supply and poor maintenance the toilets are hardly usable. The other five (three for ladies, two for gents) are privately owned and managed. They are better managed and traders pay Ksh. 3 per every time one wants to use. Plates 5-6 and 5-7 show both the private and public toilets.
The business stalls in Kenyatta are arranged in rows with a distance of about 1-1.5 meter apart. Apart from the corner stalls, majority of the other stalls measure 2mx2m. Due to the limited space within the stalls, most traders display their wares on stands outside the stall walls for therefore reducing the space for public access. The floor of the market is
all-concrete making it easier to clean and drain the water into the open drainage channels in between the rows. The drainage channels are however narrow and shallow (15 cm wide x 3 cm deep) that they storm water finds its way into the stalls. Plate 8 shows the drainage channels within the market. The waste and storm water is finally drained into the main sewer line.

Plate 5-8 Shallow Drainage Channels in Kenyatta Market

The Nairobi City Council maintains cleanliness within the market but the entrepreneurs clean their own business stalls, collect the garbage and dispose it on the dumping site outside the market. There are no dustbins provided within the market as a common collection point. The Nairobi City Council garbage truck collects this waste for the final disposal site once in two weeks. Plate 5-10 shows the current solid waste site for the market located next to the road. Most of this garbage finds its way onto the road reserve, the neighbouring estate or on the customers' cars on the car park. The disposal site acts as a home for street boys and it therefore becomes a risky area especially after 6 p.m for pedestrians to pass through.
During the field survey, power within the market had been disconnected since 1998 due to non-payments. This has had a high toll on business operations. The entrepreneurs had experienced reduction in sales, closure of businesses and transfer to other opportune areas. This type of move means extra expenses that were not planned for. Some entrepreneurs out of their own ‘initiative applied for direct power supply from Kenya Power and Lighting Corporation (KPLC) which was granted. As a result of the high demand for power within the market, the few traders with the individual power connection started commercializing the facility by distributing the power to other fellow traders with a fee at the end of the month. This being against the law the traders were charged and the power supply disconnected.

At the time of the study, there were three generators operating within the market as the alternative source of power. The cost of using this facility ranged between Ksh. 150-200 per day that was found to be very high compared to the other overhead costs accruing to the business. Traders especially in the manufacturing and some in the service sector had been forced either to close or relocate elsewhere. Out of the respondents 20 percent used the generators. Plate 5-11 shows the alternative source energy used within the market. It was established that a few of the enterprises such as wielding and saloons had tapped power from other buildings outside the market area for use.
Kenyatta Market has a wide parking area for both the customers and distributors of goods as shown in the plate 5- 12. However over the weekend, it proves insufficient due to the high turnout of customers some of whom happen to visiting the adjacent commercial center. Other services offered to the traders by the NCC include security both during the day and at night.

Plate 5-12 Kenyatta Market Parking Area
5.5.1:3 Stage Market

Stage Market being a private market is well serviced with the necessary infrastructure services. Plate 5-13 shows the entrance to the market.

Plate 5-13 Entrance of the Stage Market

The market had two communal water taps that were highly reliable except during rationing times. From the survey carried out, 29.4 percent of the respondents had individual connections, 64.7 percent used the communal water points while 5.9 percent relied on both connections. Sanitation within the market was of higher standard compared to the other two public market outlets. The Market was served with four toilets (two gents, two ladies), which were located about forty meters outside the market entrance. The toilets had water closets, well maintained and the disposal system was connected to the main Nairobi sewer line. The market has a cemented floor facilitating cleaning services and trading activities even during the rainy season. The drainage channels are wide (30cm) but as shallow as (10 cm) proving hard to accommodate much storm water.
Solid waste generated from business activities within the market is dumped in collection bulk bins placed outside the market area as shown in the plate 5-14. The waste is collected once per week by private garbage collectors for disposal at Dandora site.

**Plate 5-14 Garbage Collection Bins**

![Garbage Collection Bins](image1)

Every stall within the market is supplied with electricity and the bills are incorporated in the rent of the stall. The market has ample parking that has incorporated a service filling station as shown in plate 5-15 and 5-16 respectively. Considering the number of stalls and number of customers the parking bay is mostly underutilized.

**Plate 14 Spacious Parking Area in Stage Market**

![Spacious Parking Area](image2)
5.5.2 Accessibility

Accessibility in this section will be looking at public access, distance covered by the entrepreneurs and customers and cost involved.

5.5.2.1 Public Access

Githurai Open-air Market is a nightmare to transact business especially in the peak hours of early morning and late evening. Due to the traders selling along the roundabout, and the open spaces outside the fenced area of the market, movement is almost impossible. Within the market area, the access routes are hardly a metre apart making the movement of people and goods impossible. The scenario worsens during the rainy season.

In Kenyatta Market, the pathways in between the rows are quite narrow for the movement of people and goods. The situation may deteriorate due to extension of business entering into the corridor area. At Stage Market, public access was different since the stalls were constructed 2 metres apart giving enough room for movement. This is illustrated in plate 15 below.
5.5.2.2 Distance

The distance traveled to receive any service is very important when planning for the location of a facility. The location of a market place determines the level of utilization of the specific market. The distance traveled by both the trader and the customers has a major role to play in the sustainability of the market. A customer would on most instances prefer to buy commodities from the nearest market place where no transport cost is involved. However in most instances, markets, which are within the residential areas, do not provide all the required services or goods and customers are forced to commute to other markets for various services and goods therefore incurring extra costs. This explains why most community markets especially in Nairobi and other urban areas serve customers beyond the residential neighbourhood.

According to the field survey the following were the average distances covered by various traders to the market place.
Figure 5-16 Distribution of Distance Covered by Traders per Market

Figure 5-16 gives the various distances covered by the entrepreneurs to the various markets. In Githurai Open-air Market 96.4 percent of the respondents cover a distance of less than 3 kilometers to the markets. This means that majority of them live within Githurai Estate or the immediate environs. In Kenyatta Market approximately 32 percent live within a distance of between 1-3 kilometers while 6.4 percent travel a distance of over 21 kilometers to their places of business. The field established that most of the entrepreneurs from this market resided in such estates as Buruburu, Komorock, Satellite, Karen while others came from as far as Kajiado. This is an indication that the Market as a community facility needs to be within the people’s reach. In Stage Market about 60 percent of the entrepreneurs interviewed travel a distance of less than 7 kilometers to the market place. However none of the entrepreneurs live within the Kamukunji location where the Market is located. The traders resided in such estates as Easleigh, Buruburu, Umoja, Komorock and Karen.
Table 5-7 Percentage Distribution of Traders Mode Of Transport

<table>
<thead>
<tr>
<th>TRANSPORT MODE</th>
<th>KENYATTA</th>
<th>GITHURAI</th>
<th>STAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walking</td>
<td>22.6</td>
<td>85.7</td>
<td>None</td>
</tr>
<tr>
<td>Public</td>
<td>67.7</td>
<td>10.7</td>
<td>64.7</td>
</tr>
<tr>
<td>Private</td>
<td>9.7</td>
<td>3.6</td>
<td>35.3</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

From Table 5-7 gives the different modes of transport used by traders when commuting to their business places. It is realized that 96.4 percent of traders interviewed in Githurai Market live within Githurai Estate and that is why 85.7 percent walk to their business premises. In Kenyatta market, though majority, 32.3 percent of traders interviewed live within the same distance range as those of Githurai, it was realized that majority 67.7 percent use public means. This is attributed to the fact that traders in Kenyatta have better incomes compared to those in Githurai hence can afford public means.

In Stage Market none of the traders interviewed walk to their places of work. Sixty five percent used public means while 35 percent use private means. This is attributed to the fact that entrepreneurs in this market are of higher economic status compared to those in the other markets.

5.5.2.3 Cost

The distance covered and the modes of transport used do have a cost implication. The travel costs incurred affect the returns accruing to the various businesses in the long run. Traders in Kenyatta and Stage Markets incurred the highest transport costs. Though Kenyatta Market had traders covering the longest distances 64 percent, the highest percentage of traders incurring over Ksh 3,800 on transport cost was realized in Stage Market, 23.5 percent. This is attributed to the fact that most of the Stage Market traders 35.3 percent used private means compared to the others 9.7 percent and 3.6 percent in Kenyatta and Githurai Markets respectively.
Table 5.8 indicates the monthly average transport costs incurred by those using public and private means.

Table 5-8 Percentage Distribution of Average Monthly Transport Cost (ksh)

<table>
<thead>
<tr>
<th>TRANSPORT COST/MONTH</th>
<th>KENYATTA</th>
<th>GITHURAI</th>
<th>STAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;1000</td>
<td>12.8</td>
<td>3.6</td>
<td>5.9</td>
</tr>
<tr>
<td>1001-1400</td>
<td>9.7</td>
<td>7.1</td>
<td>29.4</td>
</tr>
<tr>
<td>1400-1800</td>
<td>22.6</td>
<td>3.6</td>
<td>29.4</td>
</tr>
<tr>
<td>1800-2200</td>
<td>9.7</td>
<td>None</td>
<td>5.9</td>
</tr>
<tr>
<td>2200-2601</td>
<td>6.5</td>
<td>None</td>
<td>5.9</td>
</tr>
<tr>
<td>2601-3000</td>
<td>9.3</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>3001-3400</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>3401-3800</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Over 3800</td>
<td>3.2</td>
<td>None</td>
<td>23.5</td>
</tr>
</tbody>
</table>

5.5.2.4 Catchment Population
The level of accessibility of the market to the customers is significance to the sustainability of the market outlet. The customers do provide the market and/or demand or the goods offered and therefore sustain the market. Centrality is therefore important in deciding on the location of a market place. Apart from the number of people that a market outlet serves, the economic status of these customers is crucial to keep the market operating. Planning for the private markets such as Stage Market should always consider the economic status not only of the entrepreneur but also the customers. Customers travel various distances to purchase goods from a particular market. Field survey revealed that the various markets under study caters for different classes of customers who come from different areas. Table 5.9 shows the type of customers served by the three markets under study.
Table 5-9 Percentage Distribution of Customer Type By Market

<table>
<thead>
<tr>
<th>TYPE OF CUSTOMER</th>
<th>KENYATTA</th>
<th>GITHURAI</th>
<th>STAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working/formal</td>
<td>35.5</td>
<td>21.4</td>
<td>5.9</td>
</tr>
<tr>
<td>Fellow trader</td>
<td>12.9</td>
<td>32.1</td>
<td>23.5</td>
</tr>
<tr>
<td>Hawkers</td>
<td>None</td>
<td>None</td>
<td>11.8</td>
</tr>
<tr>
<td>Fellow traders &amp; hawkers</td>
<td>None</td>
<td>3.6</td>
<td>17.6</td>
</tr>
<tr>
<td>Working &amp; fellow traders</td>
<td>38.7</td>
<td>28.6</td>
<td>41.2</td>
</tr>
<tr>
<td>Institutions</td>
<td>3.2</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Student, working, fellow traders</td>
<td>9.7</td>
<td>14.3</td>
<td>None</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

From Table 5-9 it is conclusive that markets serve all categories of people with the highest percentage going to the working class and fellow traders. Hawkers constitute a significant percentage, 11.8 percent among the respondents in Stage Market because most of the entrepreneurs specialize on hawkers goods.

Kenyatta Market had 36 percent of the customers being working class while in Stage Market this constituted only 5.9 percent. This is attributed to its insecure location, the type of services offered and lack of publicity. Despite its closeness to the central business district (CBD) the above three factors hinder would be potential customers from using the market. Interviews carried out with traders in Stage Market revealed that, the management of the market does not allow the stall owners to put up advertisements outside the market gate, This would assist in informing customers or the public in general about the presence of the market and the type of services it offers. Other entrepreneurs revealed that they would wish to stock diversified range of goods but the management restricts them with the excuse that they do not want congestion of people within the market.

The customers discussed in this text reside both in Nairobi and outside Nairobi as shown in Figure 5-17,5-18 and 5-19 below.
Figure 5-17 shows that 77 percent of entrepreneurs interviewed in Kenyatta Market said that they get their customers from different parts of Nairobi, 10 percent come from the neighbouring districts such as Kajiado, Kiambu and Thika, while 13 percent of the traders said they got their customers from both Nairobi and its environs. The 13 percent consist of customers who came for such services as dressmaking, hardware goods and repair works of equipment such as the music and public address systems. Entrepreneurs such as those dealing with electronic repair got customers from as far as Dar as salaam while the trader selling spare parts got customers from Nyeri, Murang’a and Thika.

The 77 percent consisted of traders who visited the market on daily basis for such services as lunch, beauty therapies, and shopping for various goods from the different boutiques. The other customers are those who came for services such as dress fitting and other embroidery works once in a while. From Githurai Market, 89 percent of the respondents indicated that their customers are from Nairobi while 11 percent said that their customers come from outside Nairobi. For the customers who resided outside Nairobi they constituted other traders who specialized on farm produce. They bought
goods on wholesale to go and sell in other markets. The 89 percent can be explained by
the fact that Githurai being a spontaneous market emerged out of need and therefore the
services it offers have a ready market within this specific area. Majority of the customers
are from Kasarani division and part of Ruiru Municipality.

In Stage Market, 94 percent of the traders interviewed indicated that they got customers
from within Nairobi and outside Nairobi. Only 6 percent confirmed getting customers
specifically from outside Nairobi. The 6 percent comprised 1 out of the 2 traders who
sold household goods. He acted as a distributor to other retail shops outside Nairobi.
Most customers (77.4% and 89.3%) for Kenyatta and Githurai market reside in Nairobi
but with 12.9 percent and 10.7 percent residing in the neighboring districts such as Thika,
Kiambu and Kajiado. In Stage market most customers come from within and outside
Nairobi (47.1% respectively).

5.5.3 Compatibility and Environmental Pollution
The term compatibility is used to discuss the issues arising due to the current location of
the three markets under study. The current location of the markets has resulted into
various conflicts with other land users.

5.5.1 Environmental Issues
5.5.1.1 Githurai Market
Githurai open-air market has compromised the quality of environment in terms of
garbage, temporary nature of structures and lack of sanitation facilities. The lack of water
within the market to wash hands or fruits before eating does compromise the hygienic
standards of the market users. Due to the unreliable communal water supply, some of the
traders had illegally tapped water meant for residential units around the market and they
sometimes sold it to other traders. From the checklist administered to households next to
the market 8 percent complained of water shortage in their houses due to illegal
connections by traders. The dumping site for the solid waste is poorly sited considering
the presence of the river and the residential units. Out of the respondents 42 percent
complained of bad stench from the site and it also acted as a breeding ground for
mosquitoes and rats. *Poor sanitation* was another major problem cited by both the traders and the neighbourhood. Out of the respondents, 40 percent of the traders cited sanitation as major environmental problem while 20 percent of the neighbouring households cited sanitation as an important facility lacking within the market. A 100 percent of the traders interviewed complained of poor drainage system while 20 percent of the household checklist indicated that the soggy conditions within the market especially during the wet season limit them from getting into the market to purchase good.

Other environmental problems cited by neighbours around this market were air and noise pollution especially in the early morning hours (4.00am-7.00am) and in the evening between 5 pm and 7 pm when the activities in the market are at the maximum. Another problem within the market was that of cleanliness. The traders complained that the council employees do not sweep the market as required. This is reflected in plate 5-18 below.

**Plate 5-18 Uncollected Litter in Githurai Market**

Twenty percent of the traders interviewed complained of noise and air pollution. These were traders who sold their goods along the road reserve. Eighty percent of the residents within the neighbourhood complained of noise and air pollution from the market.
5.5.1.2 Kenyatta Market

The major environmental problem experienced in Kenyatta market was that of sanitation. Fifty percent of the respondents among the traders interviewed confirmed the need to improve on the current condition of the toilets. They complained that the Ksh 3 charged per every time one uses was too expensive considering that the Nairobi City Council had provided toilets, which had been poorly maintained. About 20 percent of the entrepreneurs interviewed cited the shallow drainage channels as a problem especially during the heavy rains. The drainage channels cannot adequately hold the storm water, which ends up in the stalls damaging their goods.

The unreliable water supply had compromised the hygiene standards within the market. Ten percent of the respondents confirmed that the standards of cleanliness in the market had gone down due to limited water supply. The location of the garbage collection point outside the market but just next to the road posed an environmental problem. Out of the respondents from the household check list 25 percent cited the dumping site as nuisance as a result of bad smell and the litter was sometimes brown by wind into their compound. This complain was raised by tenants from Sunview Estate which is only 10 meters from the dumping site.

5.5.3.3 Stage Market

The major environmental problem cited by entrepreneurs in Stage Market was noise pollution from the vehicular traffic. The market is located adjacent to a busy ‘Matatu’ stage, which generates much noise both from the touts and hooting vehicles. This caused a lot of disturbance especially to the stall owners who were situated next to the gates.

5.5.4 Compatibility

5.5.4.1 Githurai Open-air Market

Githurai market was characterized by different trading activities, which were incompatible. This had resulted in conflicts with other land uses. The spread of trading activities onto the open spaces and road reserves had caused conflict with other users of space such as the traffic and pedestrians. From the survey carried out, 25 percent of the
household checklist respondents cited congestion as a major problem within the market while 30 percent of the traders cited congestion as a problem. The incompatible land uses are shown in plate 5-19.

The competition for space with the transport sector had resulted to loss of lives and property. Ten percent of the respondents among the traders confirmed that the current market location is an accident prone with an average of three accidents per week. As a result of the congestion the vehicles sometimes loose control and ride over the goods of the entrepreneurs. Due to the increase in trading activities beyond what the initial market was designed for, incidences of mugging and looting had increased within the area. Household goods plus clothes were being stolen from the neighbouring residential units and sold to entrepreneurs within the market. Seventeen percent of the household checklist respondents quoted insecurity as problem resulting from the current location of the market.

Plate 5-19 Mixed Land Uses within Githurai Market

The temporary shades do not conform to the existing and adjacent urban design. Though it is an open-air market, the traders use cheap materials such as polythene and old sacks to roof their stands as shown in plate 5-20. As they grow old, the materials become dilapidated impacting negatively on the aesthetics of urban environment. About seventeen percent of respondents from the household checklist expressed the view that
the market should have better sheds while 38.7 percent of traders complained of poor sheds.

Plate 5-20 Dilapidated Business sheds

5.5.4.2 Kenyatta Market

The initial design of the market was arranged in a manner that compatible market activities were grouped together one section in order to minimize conflicts. However due to the high increase in number of people engaging in trading activities the demand for space has caused mushrooming of different market activities in areas not initially planned. For instance, food kiosks or cafes have been established in between sections where people specialized in boutiques. This is risky in the event of fire outbreak, the smoke and smells from such cafes cause discomfort to the boutique sellers.

The dumping site had attracted street children and/or scavengers who posed security risk to both the traders and the neighbourhood. Twenty five percent of the neighbours interviewed sited security as a problem they experienced as a result of the location of the dumping site.
5.5.4.3 Stage Market
Business activities within the market are arranged in a compatible manner as shown in plate 5-21. The current site of the market has however resulted into conflict with other land uses. The motor vehicle terminus next to the market has posed a security risk to the market users as shown 5-22. Twenty percent of traders interviewed confirmed that their customers prefer buying the same goods in town despite the high prices for fear of being mugged when they alight at this terminus. The lack of bumps or footbridges on the dual carriageway has resulted to loss of lives as people cross over to and from the market. Interviews with the traders confirmed that two accidents are reported per week.

Plate 5-21 Compatible Business Types
5.6 Emerging Issues
The location and siting of the three markets under study have generated aspects that need appropriate planning intervention for the efficient and sustainable functioning of the markets.

5.6.1 Location Problems
The traders from the three markets mentioned various problems that they experienced in relation to the siting and location of the markets. Table 5-10 gives the problems cited by traders within the specific markets. The problems as discussed by traders hampered the full operation of the market activities. This means that the entrepreneurs could not effectively market their goods in order to reap maximum profits. The intensity of the problems however varied depending on the specific market type and the type of goods a trader specialized in. For instance traders dealing with imported goods could complain of high import tax unlike the traders specializing on locally available goods. Lack of power
was a major problem among traders in the manufacturing and service sectors unlike in the common trade sector.

Table 5-10 Percentage Distribution of Locational Problems by Market

<table>
<thead>
<tr>
<th>PROBLEMS</th>
<th>KENYATTA</th>
<th>GITHURAI</th>
<th>STAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor Sanitation and Drainage</td>
<td>20</td>
<td>89</td>
<td>None</td>
</tr>
<tr>
<td>Solid Waste</td>
<td>6.5</td>
<td>25</td>
<td>None</td>
</tr>
<tr>
<td>Poor /Inadequate Accessibility</td>
<td>13</td>
<td>25</td>
<td>17.6</td>
</tr>
<tr>
<td>Security</td>
<td>19.4</td>
<td>28.6</td>
<td>None</td>
</tr>
<tr>
<td>Poor/Lack of Sheds</td>
<td>None</td>
<td>32.1</td>
<td>None</td>
</tr>
<tr>
<td>Low Profits</td>
<td>9.7</td>
<td>7.1</td>
<td>23.5</td>
</tr>
<tr>
<td>Lack of Credit Facilities</td>
<td>6.5</td>
<td>4.3</td>
<td>None</td>
</tr>
<tr>
<td>High License Fee</td>
<td>None</td>
<td>14.3</td>
<td>None</td>
</tr>
<tr>
<td>Low Profits &amp; Poor Shades</td>
<td>9.7</td>
<td>17.9</td>
<td>None</td>
</tr>
<tr>
<td>Harassment</td>
<td>None</td>
<td>3.6</td>
<td>17.6</td>
</tr>
<tr>
<td>Inadequate Water Supply</td>
<td>10</td>
<td>25</td>
<td>11.8</td>
</tr>
<tr>
<td>Inadequate/Lack of Power Supply</td>
<td>80</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>High Import Tax</td>
<td>9.7</td>
<td>None</td>
<td>17.6</td>
</tr>
<tr>
<td>Liquor Selling</td>
<td>3.2</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Expensive Transport</td>
<td>3.2</td>
<td>None</td>
<td>5.9</td>
</tr>
<tr>
<td>High Rents</td>
<td>3.2</td>
<td>None</td>
<td>5.9</td>
</tr>
<tr>
<td>Poor Siting</td>
<td>None</td>
<td>3.6</td>
<td>11.9</td>
</tr>
<tr>
<td>Inadequate Market Channels</td>
<td>None</td>
<td>None</td>
<td>3.9</td>
</tr>
</tbody>
</table>

From table 5-10 the problems that were experienced in all the three markets include accessibility, low profit margin, credit facilities, water supply and security. Accessibility within the different markets as discussed by traders referred to different aspects. In Githurai market, inaccessibility was due to the poor design of the market, which lacked
well-established pathways and drainage channels. This inhibited movement of people and goods and people therefore preferred to carry out trading activities outside the market. The congestion in the market explains why the inaccessibility percentage is higher compared to the other two markets. Accessibility in Kenyatta Market was determined by the specific location of the business stall in reference to the main entrance.

Plate 5-23 Trading Activities outside Kenyatta Market

and the type of goods one was dealing with. Entrepreneurs in the service sector such as beauty saloons, barber shops and food restaurants complained that most customers preferred services from business stalls close to the main entrance. The stall owners close to the main entrance therefore had higher turnover of customers at the end of the day as compared to the ones on the extreme end. For those selling second hand clothes, they complained of receiving stiff competition from the traders selling their wares outside the market area who usually sell at a lower price than them because they did not pay any monthly rents for outlets. The emergence of trading activities outside the planned market is shown in plate 5-23.
Poor accessibility in Stage market was as a result of the current location of the market. Its location downtown next to the Machakos country bus scared off potential customers who find the area a risky zone. There was also stiff competition from other traders located in the town center. The security problem constituting 29 percent of the respondents mentioned in Githurai Market referred to security of goods for those with sheds and tenure for those selling along the road reserves who risked being evicted. The traders with temporary sheds complained that sometimes they found their part of goods stolen especially the ones selling farm produce. This is because the wire mesh is thin enough for anyone to cut through. The traders selling along the road were always in frequent battles with the Ruiru municipal council Askaris.

Harassment in Githurai Market referred to harassment by the Ruiru Municipal Council workers as they demanded for the daily fee (Ksh 10) and when enforcing the law by removing the traders out of the road reserves. In Stage market, the hawkers who came for goods at the handcart people who carried goods for the traders were harassed and treated with a lot of suspicion by the market management.

The inadequate power supply problem in Kenyatta Market, 80 percent was as a result of disconnection due to non-payment. The issue of high license fee was emerging as one of the major constraints to the business community. The license fee depended on the nature of business undertaken and the size of the stall. In Kenyatta market, license fee charged varied from Ksh 2,100 per year for salons and boutiques to Ksh 4,000 for butcheries and hardware.

In Stage Market license fees charged varied from Ksh 3,000 to as high as Ksh 20,000 for a supermarket. In Kenyatta market traders on tenant purchase paid only Ksh 461 per year as land rates and monthly administration charge of Ksh 200. In Githurai Market, the traders who were licensed operated on the temporary occupation licenses (TOL) that they paid Ksh 300 per month.
Monthly rents were sited as a major constrain in business expansion in Stage Market. The minimum rents charged on a stall of 2 m by 2 m was Ksh 800 per month compared to Kenyatta market where the highest rent charged on a premise twice this size was Ksh. 5000 per month. From the above-mentioned problems the traders highlighted the following possible solutions to their problems.

Table 5-11 Solutions Provided by Traders Per Market

<table>
<thead>
<tr>
<th>PROBLEMS</th>
<th>KENYATTA MARKET</th>
<th>GITHURAI MARKET</th>
<th>STAGE MARKET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor sanitation and drainage</td>
<td>Management of the sewer line</td>
<td>Provide extra toilets</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>Enlarge drainage channels</td>
<td>Provide a sewer line</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Construct open drains</td>
<td></td>
</tr>
<tr>
<td>Solid waste</td>
<td>Provide dustbins</td>
<td>Council to clean the market</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>Weekly collection of solid waste</td>
<td>Provide dustbins</td>
<td></td>
</tr>
<tr>
<td>Poor/lack of sheds</td>
<td>None</td>
<td>Traders allowed to build standardized sheds</td>
<td>None</td>
</tr>
<tr>
<td>Accessibility</td>
<td>Evict traders outside the market</td>
<td>Evict traders along the road</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Redesign the market</td>
<td></td>
</tr>
<tr>
<td>Inadequate Power Supply</td>
<td>Kenya Power to allow individual connections</td>
<td>Council to provide power in order for traders to diversify in their business</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>activities</td>
<td></td>
</tr>
<tr>
<td></td>
<td>NCC to pay out standing debts to KPLC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High Tax Rates</td>
<td>Government to reduce tax on imports</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Inadequate Space</td>
<td>None</td>
<td>Local Authority to provide alternative sites for the market</td>
<td>None</td>
</tr>
<tr>
<td>Security</td>
<td>Employ more security guards</td>
<td>Provide street lighting</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>Provide street lighting</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The traders from the various markets suggested services that the management should consider installing in the markets in order to facilitate their operations. Among them were telephone booths suggested in the three markets, fire extinguishers and emergency clinics suggested in Kenyatta market.

Despite the above problems faced by traders, the management of the above markets did face difficulties in carrying out their operations. Some of problems highlighted by management of the markets included delay and/or default on payment of market fee which was prevalent in Githurai Market due to inadequate manpower as compared to high number of traders. Another problem was abuse or mismanagement of infrastructure services. The management in these markets complained of misuse of water and sanitation facilities leading to high expenditure on maintenance.

5.6.2 Infrastructure Services
The level of infrastructure provided in the three markets varied and this affected the level of operations in the above markets. Stage Market was fairly served with the necessary infrastructure services such as water, sanitation and drainage, electricity, and solid waste management. Kenyatta Market had all the above services but due to poor level of maintenance the services could not serve the market population adequately. Githurai Open air Market was hardly served with any adequate infrastructure. The one communal tap and two toilets could hardly serve the over 800 traders not to mention the customers to the market. No operations could take place after seven due to lack of streetlights.

5.6.3 Catchment Population
The three markets served customers of different social classes and from different regions. Considering the function of a market as that of bringing goods and services closer to the people the market is therefore supposed to serve the immediate neighborhood. Taking the division to be the immediate neighborhood, Githurai Open-air Market served the most people with 90 percent of the 89 percent within Nairobi customers coming from Kasarani division. Kenyatta Retail Market was second with 60 percent of the 77 percent within
Nairobi customers coming from Kibera division while Stage Market did not have a single customer residing within Pumwani division.

This shows that Stage Market did not serve the immediate neighbourhood that included such estates as Muthurwa, Kamukunji, Makongeni, Kaloleni and Easleigh. This is attributed to the fact that goods and services offered within this market are far much beyond the income levels of these low-income earners. The market unlike most other markets did not have diversified trade activities and goods, which would attract all categories of people. The local residents preferred to buy their goods from Gikomba or Marigiti markets. However, considering the total catchment population, Stage Market had the biggest radius with 47.1 percent of its customers coming from both Nairobi and outside Nairobi.

5.6.4 Services and Goods Offered

Services offered or goods sold in any market determine the threshold demand and therefore the sustainability of a market. Githurai open-air market offered diversified services ranging from selling of foodstuffs, clothes, and electrical goods to shoe selling. The checklist administered to households neighbouring the market revealed the absence of various services within the market area. Seventeen percent expressed the need for telephone booths, 8 percent saw the need for repair works, 17 percent needed space created for leisure, while 25 percent requested the need to diversify the services offered to include tailoring services.

Kenyatta Retail Market offered services ranging from tailoring, beauty services, clothes, shoe selling and food restaurants. Field analysis revealed that 33 percent of respondents from household checklist confirmed that they received no services from the market. The reasons given were that the service offered in the market were expensive compared to other markets such as Ngara and Eastleigh. As a result residents preferred to buy their goods from these market outlets. The other services that local residents wished to be incorporated in Kenyatta Market included, telephone, entertainment
The services offered at Stage Market concentrated on trade sector activities ranging from wholesale, stationery and hawkers wares shop. Most of these shops acted as distribution points since most customers only came to collect the goods but hardly any window shoppers. Twenty percent of residents from Muthurwa and Kamukunji confirmed of having no knowledge of the market existence, 30 per cent confirmed having knowledge of its existence but had never visited the market, 20 percent said that there were no services they needed from the market while the rest 30 percent acknowledged that the prices in the market were too high for their incomes and that the management of the market treated them with suspicion every time they visited the market. The main request that the local residents made was for diversification of the business activities and reduction of prices to affordable levels.

5.7 Institutional Policy and Legal Control
5.7.1 Introduction
The study attempted to look at the existing local authority policy and legal control as they are seen to affect the growth and performance of trade activities in the urban community market outlets. Excessive regulations constrain business performance worldwide as they impose costs that hamper innovation and investment thus minimize opportunities for Job creation. In Kenya small- scale entrepreneurs are inhibited by cumbersome laws and regulation that are out of tune with the current socio-economic realities. There are no clearly laid down procedures for dealing with traders in spontaneous markets. On the other hand traders in these markets generally do not view the actions by officers against them to be legitimate and therefore they do not take them seriously. In other instances the traders themselves do not know the intricate issues of the by-laws. If Kenya’s economic growth and employment opportunities in the urban areas is to be realized, there is need to create an enabling environment for the operations of the small scale entrepreneurs through the amendment of legal and regularly framework.
The markets in Nairobi are managed under the department of Housing and Social services implying that markets are as a social service to the people. However, due to urbanization trends the markets have emerged to meet economic needs of entrepreneurs and the councils.

The establishment of a formal market involves various departments within the local government. When the local authority identifies the site, the department of urban planning is supposed to carry out feasibility study to establish the appropriateness of the selected site and draw up a plan. The design of the market is drawn by the Architecture Department while the necessary infrastructure service is provided by the departments of Engineering, Water and Sewerage.

The study established that the co-ordination between these various departments is quite weak. The enforcement of the by-laws is supposed to be done by the Market Superintendent with the assistance of City Inspectorate Askaris but in most instances their powers are usurped by the provincial administration. The study attempted to look at the following existing local authority by-laws and how they affect the traders in the various markets.

5.7.2 The Local Government Act
The Local Government Act (Cap 265) gives Local Authorities wide powers in controlling the activities of the informal sector under the following section. The local Government Act Cap 265, Sec. 145 states that local government is to establish, maintain, let and manage public markets and market buildings. The Local Government is also to control markets in its area by whosoever established and where a market has been established by the local authority, prohibit the establishment of any other market within its area without the permission of the local authority. The local authority however only participates in the licensing procedure but not in running of the current private formal markets like the Mall.

The Act also empowers the local authorities to control public sales held on any public or open space or in any public building and also control public plans use for the purpose of
selling publicly. Considering the existing situation, this by-law on markets is no longer valid. The Nairobi City Council has been incapacitated establishing new markets, it has hardly any control on the emergence of spontaneous markets and always license a private entrepreneur to start a new market irrespective of how many already exist within that area. Stage Market stands out as a good example that is located between Wakulima and Gikomba market. The main concern with the NCC is how much money can be generated from the established markets rather than the services that the market offers the neighbourhood.

For the spontaneous markets, that have become a characteristic of the urban environment the Nairobi City Council adopted by-law 1948 section 18 stipulates that,

"a person shall not put any building to any use which might be calculated to depreciate the value of the neighbouring property or interfere with the commercial or comfort of the neighboring occupiers or cause annoyance there to, or which might have deleterious effects upon the health of the occupants in the neighbourhood".

This explains the never-ending battles between the vendors operating along Githurai round about, and the Ruiru Municipal Council since the traders obstruct the operations of the formal commercial businesses and road users. Due to these flaws in the by-laws the applicable approaches are thoroughly flawed. The by-laws act as an enforcement measure rather than a management measure to trading activities. Most by-laws set are to ensure that towns are safe and clean without reflecting on the economic activities which sustains the urban economy. Section 16 1(a) stipulates the control of tea rooms, cafes, restaurants, eating houses, snacks, bars butchers, shop, grocers and all factories.

5.7.3 The Trade licensing Act Chapter 499 Section 5

Licensing has remained the main tool used by the municipal council for controlling the operators of informal sector. Licensing fees is beneficial to urban authorities in term of revenue and at the same time provides a reference point and recognition to traders. To traders licensing is an important element of security and stability for their special right of ownership. Once licensed, required planning regulations such as Physical planning Act, health Act chapter 242 and the building code have to be followed. The Act states that,
"The purpose of this Act is to enable the state to allocate business and trade equitably among entrepreneurs" The licenses indicate among other things the business location, plot number and certificate of proof of premises ownership or temporary lease. Such requirements are seen to be difficult to obtain for traders operating in open-air markets and also hawkers. This is because in most cases these are squatters on government or local authority land. Section 161(d) (ii) of the local government act gives powers to local authorities to prohibit and control peddling, hawking and street traders. The Act also prohibits such activities as fish mongering and vending of cooked food. However we realize that in most urban towns these activities are still carried out and only get restricted whenever there are epidemics such as cholera outbreaks in the urban areas.

The main problem with the Act is its complicated nature that makes many small-scale entrepreneurs not to understand. The fact that the local authority issues licenses after approval introduces bottlenecks and opportunities for corruption into the system. Acquiring a license to operate an enterprise involves a cumbersome procedure of which traders confirmed that given a choice they would abscond. According to them the allocation of trade through licensing is often not to the most needy but those able to influence both 'gatekeepers' and officials dealing with licensing. Licensing and payment of fees has resulted in misplaced control that largely results in 'rent seeking'. Entrepreneurs therefore find licensing and payment of fees a bottleneck with most traders end up not adhering to it.

In order to regulate enterprises with the small-scale entrepreneur’s sector, section statutes are put in place to enforce the law. Such statutes include the Factory Act and Physical Planning Act of 1996. These Acts ensure that environmental standards are maintained. It should be noted that for any law to have a practical relevance to its people, it must take into account the prevailing socio-economic conditions.

5.7.4 The Land Planning Legislation Act
The Land Planning Act Cap 303 section 10 (i) of the laws of Kenya states that any person carrying out development on land as aforesaid shall seek the permission of the planning
authority in that area before undertaking the development. Such development control would then ascertain whether the intended development is in order with the laid down principle plans for the area in question. In Kenyatta market the entrepreneurs had subdivided their stalls further from the original design in order to collect more rent. This had been done without seeking any authorization or permission.

The mix up of trading activities in Githurai open-air market is as a result of contravention of this regulation. However, the traders see it as the only fair option since obtaining development permission on a land that is not rightfully theirs is difficult not unless the municipal authority decides so. It is therefore realistic that appropriate and legal sites should be allocated to the traders especially in Githurai market for them to conform to the statutory requirements. For the growth of the informal sector, there is need to review the prohibitive regulations that inhibit the development of a more constructive environment. The applicability of the prohibitive laws has failed because the Kenya Government adopted them from the British systems where there is no proliferation of informal sector activities.

The implementing agency of any legal control must view land ownership as a planning issue in order to solve the problem of traders and hawkers. The planning authority must acknowledge the role played by the small scale entrepreneurs operating in the various markets in the urban economy hence the need to zone land for them which is accessible and with the necessary infrastructure.

5.7.5 Government Policy

There exists no clearly defined local government location policy on markets. A site is only declared a market after vendors invade a public place and start business activities in the case of an informal market or when a local authority decides to put up structures on public purpose land due to the demand of the facility. A private formal market is purely a commercial entity and the services offered focus on maximization of profits. In other instances, the local authority allocate a public place to traders just to ease congestion in a particular market or to get rid of vendors or hawkers who pose as a nuisance to other
community members. This is done without deep analysis of the site or location factors catchment population or the type of services to be offered. According to the official publication

"Small entrepreneurs development strategy for Kenya, Towards the year 2000" (GoK, 1989), policy problems hindering the development of the informal sector includes, Poor provision of physical infrastructure, poor access to technology, market constraints, inadequate institutional framework and unconducive legal environment. For the Government to realize this strategy, the policy must focus on enabling environment, credit provision and other promotional programmes.

The study established that Nairobi City Council had carried a survey on vending activities in Nairobi and came up with a policy on joint partnership between Non-Governmental Organizations (NGOs), development agencies and traders organizations. However, the measures on its implementation are yet to be deliberated upon with all the stakeholders.

5.7.4 Summary of Study Findings and their Planning Implications

The study established the following three facts on urban community market. The first one is that there has been a sporadic increase in number of markets especially the open-air markets in Nairobi. All these markets are located on major transport corridors, residential areas and public vehicles terminus obstructing other land uses. This justifies the need to plan for community markets. Secondly, despite the role-played by markets in the urban economy, appropriate policies and planning interventions have not been put in place with regard to allocating accessible sites for these markets. The local authority prefers using prohibitive by-laws that are not in line with current socio-economic situation. The third factor is that the level of infrastructure services (water, sanitation, garbage, management, telephones) within the markets and the regulatory framework within the local authorities have remained a major obstacle to the operations of entrepreneurs within the urban markets. The local authorities concentrate on collecting revenue from the markets without maintaining the services in order for the traders to have a conducive working environment.
The negative attitude among the urban planners and administration towards the vendors locating on open public spaces has led not only to harassment but loss of property leaving the vendors sinking deeper into poverty. The authorities concentrate on the effects instead of the cause. To solve the issue of conflict with other land uses there is need to enact appropriate policies and by-laws that will ensure that traders are allocated appropriate sites and this could be achieved through a partnership policy. Land is a communal property and having been entrusted to the local authority by the government, it is the duty of the relevant councils to ensure that any public purpose land set aside for future development such as for markets should not benefit specific individuals but should be used for the good welfare of the community.
6.0 Introduction
The study set out to establish the factors behind the emergence and the roles of the informal markets, the private formal urban markets and the reasons behind the decline of the public urban community markets. The proper planning for markets is a viable strategy for achieving national development goals such as poverty alleviation by year 2015 and industrialization by year 2020. The study established that no detailed surveys are done before a site is zoned as market place. The detailed surveys should always take into consideration details on accessibility, compatibility, infrastructure facilities and the consumer patterns. The study attempted to analyze the physical and socio-economic state of entrepreneurs in terms of their environmental suitability, level of utilization and operation of the market facility, income and employment generation.

Urban planners and administrators have not given planning for urban community markets. It is only in the very recent past that due to the urbanization trends the informal sector has expanded rapidly and the activities in this sector has spilled over to other planned land uses hence becoming a nuisance. The relevant authorities are searching for appropriate sites to relocate some of the entrepreneurs who include the hawkers and street vendors. Since they are never consulted, the entrepreneurs view the proposal given as a dismissal program rather than relocation process, leading to unending battles between them and the regulatory agencies who include the local authorities and the provincial administration.

6.1 Summary of Findings
The study set out to examine the factors that have led to the location of various urban community markets and their roles with special reference to Githurai open air market, Kenyatta Retail Market and Stage Market. The study established that spontaneous markets such as Githurai arise as a survival strategy as traders strive to meet their basic
needs. Since they are never planned for, they lack basic infrastructure hence compromising the standards of urban environment. The market had a weak market committee that was silent. Kenyatta Retail Market was a representative of a formal public urban community market. Even though it was formally planned by Nairobi City Council, most of its basic infrastructure has failed leading to underutilization of the market facility and mushrooming of other trading activities outside the market. The market had a market committee to voice the trader’s views.

Stage Market represented the formal private community market. The study established that the market is a purely economic unit with no social reference. It had no social institution such as an organization for entrepreneurs and neither did the market serve the immediate neighbourhood. The various roles played by these markets to the urban economy were examined, the infrastructure services offered in each market and the problems faced by entrepreneurs in the different markets. Poor sanitation and drainage was the most pronounced in Githurai Market accounting for 89 percent, inadequate power supply in Kenyatta Market accounted for 80 percent while low profits was the most preferent problem in Stage Market accounting for 23.5 percent. The study has come up with future proposals on land use policies, legal and regulatory framework, environmental and partnership policies.

6.2 Role of Urban Community Markets

Urban community markets play a significance role both to the traders and the community as a whole. The community markets bring goods and services closer to the people and at the same time they are a source of income to the traders through the employment opportunities that they offer. Kenyatta, Githurai and Stage markets offered various services and goods to their customers. Kenyatta Market offers a wide variety of goods and services that ranged from beauty care, restaurants, clothware to repair works. Githurai Open-Air Market concentrates on farm produce and second hand clothes. Stage private market has concentrated on hawking goods and household goods. The type of services and goods offered in the various markets depend on the purchasing power of the customers. This is why same goods and services may be priced differently within the
various markets. The market serves all types of people from students, (14 percent Githurai), to hawkers 12 percent Stage Market) to working class(36 percent Kenyatta).

6.2.1 Linkages and Catchment Population
It was established the markets source their goods within and without Nairobi. Apart from Githurai, Kenyatta and Stage Markets imports some of their goods from world markets. In Stage Market 12 percent of the entrepreneurs imported their products. Most of the goods were hawking materials and beauty products. In Kenyatta Market 3 percent of the entrepreneurs dealt with imported goods such as clothes, shoes and artificial flowers. The three markets served varying catchment populations. Apart from the availability of certain goods and services in a specific market the purchasing power of the customers can dictate the catchment population of a market. Stage Market, though it hardly serves the neighbourhood community 47 percent of its customers come from both within and outside Nairobi unlike that of Kenyatta (13 percent) and Githurai (0 percent).

6.2.2 Employment
Urban community markets play an important role in provision of employment opportunities and therefore source of income. The three markets under study provided employment to different categories of people. Kenyatta Market constituted the highest percentage in terms of number of employees. It had employed over six people per enterprise within the service category. Stage Market was second with 45 percent while Githurai was last constituting only 6 percent. The percentage represents the only two out of the 28 sampled enterprises who had an employee each. The enterprises in the service section had higher number of employees compared with trade and manufacturing categories. This is because their labour demand is higher compared to the other types of enterprises. Field survey revealed that more women are engaged in trading activities than men.
Apart from the people directly employed within the various enterprises, the community markets do generate employment opportunities to some other urban unemployed. In Kenyatta Market, though the street boys at the waste disposal site are considered a security risk, the research established that they also earn a living by washing cars at the car park and sometimes providing security services to the car owners. In Stage Market the handicraft people do carry agriculture produce for the restaurant owners from Wakulima Market and they are paid for the services.

The study indicates that planning for sustainable urban community market outlets requires the involvement of all players in the operations of the market. Different market types have different requirements with reference to the building standards, level of infrastructure and types of goods to be stocked. This therefore calls for a detailed feasibility study that should involve the consumers, traders/entrepreneurs, development partners and not just a council affair.

6.3 Conclusion

6.3.1 Introduction

Urban community market outlets play a significant role in the urban economy in terms of employment and income generation. The study recognizes that traders are a part of the fabric of our city and towns. They are hardworking, are entrepreneurial, they have dreams to better their own lives and those of their lives. Their situation needs to be re-examined and they need access to the liberalization of trade that has benefited formal industries. If the Kenya government cannot provide jobs to the many urban unemployed, then the jobs that the these people creat for themselves should be supported by municipal laws and city plans.

6.3.2 Githurai Open-air Market

Githurai being a spontaneous market arose out of need to provide services to the neighbourhood communities in this low-income area and also as a source of income to the small-scale entrepreneurs. Though it is not a planned market, the goods and services the market provides to the Nairobi community justifies the need for appropriate planning.
for a market site together with the necessary supportive infrastructure. This would enhance effective functioning of the market hence achieving both the social and economic function. The situation at Githurai Open-air Market justifies the need to cooperate market sites as significant urban land uses within the urban structure plans. This would minimize the level of conflicts and improve on the physical and social urban environment caused by improper siting of trading activities.

6.3.3 Kenyatta Retail Market
Kenyatta Retail Market was planned and built using the neighbourhood concept and is under the management of Nairobi City Council. Though the necessary infrastructure and services were installed, their maintenance by the City Council has failed leading to underutilization of the market. The result has not only been low sales for the business community but also the mushrooming of other trading activities outside the planned market leading to further conflict with other urban land uses. Necessary mechanisms should be put in place that would ensure adequate maintenance of the infrastructure and services. Enforcement of the law is also necessary to restrain the mushrooming of unplanned business activities outside the zoned areas.

6.3.4 Stage Market
Stage Market is one of the privately owned formal urban community markets within Nairobi. The private markets have emerged as a result of economic, social and market dynamics. They provide essential services not only to the Nairobi community but also to the larger metropolitan regions. However planning for the private markets such as Stage Market should take into consideration the economic status of the neighbourhood communities it is supposed to serve. The study established that the range of services and goods provided by the market are beyond the economic reach of the low-income people within the neighbourhood. The sustainability of a community market must take into consideration the financial capacity of the people it is supposed to serve.

Due to the dynamic nature of the informal sector, there is need to have frequent surveys carried out on the operations of the entrepreneurs so that prior planning is done before
uncoordinated development of these activities spring up. Planning for urban community markets demands availability of valid data on the number of entrepreneurs being planned for, types of enterprises and the expected catchment population the market should serve. The factors influencing location of markets should be a rational decision made after assessment of the relative advantages of various locations for the performance in question given the general framework and knowledge prevailing.

The relevant local authorities should take it upon themselves to organize site meetings and policy seminars in order to raise awareness on legal aspects and the environment protection measures. Such meetings would also enhance a favorable working environment between the traders, administrators and the other development partners. The study views the implementation of the proposed recommendation as the way forward.

6.4 Study Recommendations

6.4.1 Level of Markets Utilization

The study indicated that the current sites for the markets are attributed to various factors. The level of utilization of the three markets varies depending on the type and magnitude of problems experienced which hinder the operations of the markets. Various types of problems were identified that inhibit smooth operations of traders’ activities.

6.4.1.1 Organizational Problems

Sole proprietor was the dominant type of enterprise ownership in Kenyatta, Githurai and Stage Markets. The production and marketing of goods was done by individuals as opposed to conventional trade practices. None of the markets had formed an organization that would assist in expanding their marketing channels. The individual marketing strategies led to uncoordinated competition for both customers and space. In most instances, this has led to mushrooming of trading activities beyond the restricted areas causing further conflict and environmental degradation. There was no recognized institution among traders in Stage and Githurai markets but Kenyatta market had a market committee. The study recommends the need to legally establish market committees and strengthen the existing ones since the organizations provide the
necessary mouth piece through which the traders can raise their problems, improve their working conditions, welfare, marketing skills and acquire financial assistance. It is also through such organizations that entrepreneurs can have a right to vet on the sites allocated to them, licenses and rents charged on their business enterprises. In order for the traders organizations to thrive and achieve their objectives there is need to make provision for them within the Market department. This would create a forum for discussion and understanding between the traders and market administrators that is currently lacking. Once the operations of markets are reorganized and promoted through spatial and financial provision they will eventually grow, and merge to form major industrial co-operatives.

6.4.1.2 Location Problems

The locating of the three markets under study were attributed to various factors which range from politics, infrastructure services, accessibility, ready market, to space availability or unavailability. However, their location had generated conflicts and environmental concerns that demand planning intervention.

Githurai Open-air Market

Trading activities in this market had grown sporadically and merged into other activities without any tangible control measures. This calls for relocation of some of the market activities to other sites. The study recommends the designation of some of the undeveloped Government land and Ruiru Municipal council land. The study proposes two sites for the relocation of traders in order to ease congestion. The first site is located 1.5 km from the current Githurai Market and is 100 meters off the tarmac Kimbo road. The site is owned by Ruiru Municipal Council and has an area of 0.26 Hectares. The second site is also on council land at Progressive near Kahawa army barracks. The site measures 60x80m meaning it has an area of 0.48 Hectares. The proposed sites are indicated in Figure 6-1 The land is currently empty and it is the responsibility of the Ruiru Municipal Council to put the necessary infrastructure. For adequate accessibility the Kimbo road must be upgraded with marrum.
Figure 6-1 Proposed Market sites for Githurai Estate

SCALE = 1:50,000

LEGEND
- - - - - Regional or Provincial Boundaries
+ + + + + District Boundaries
---- Municipality or Township Boundaries
Main Roads
Dry Weather Roads
Rivers

Current Site
Proposed Sites
Kenyatta Retail Market

In Kenyatta Market, the main problem was with the level of infrastructure services provided rather than the space. However, the mushrooming of other trading activities outside the planned market had led to congestion and declining performance levels of existing market. The study recommends that these entrepreneurs should be relocated to a formal site where they can carry out their activities without fear of eviction and at the same time provide revenue to the Nairobi City Council which they currently do not. The site recommended is next to Otiende shopping centre. This was a site that had been set aside as a proposed market area but was latter allocated illegally to a private developer. The Nairobi City Council should look for modalities of retrieving the land either by providing an alternative site to the developer. However it was not possible to obtain a structure plan on which to spatially show the proposed location of the Otiende site.

Stage Market

The study established that Stage Market was an economic entity with no social dimension. The market never provided any social service to the neighborhood of the low income people. It is therefore recommended that the market should diversify its activities. The management should build extra stalls on the unutilized piece of land and introduce business activities such as clothes, shoes selling (both second hand and imported), tailoring and embroidery and a section for farm produce. This will open up the market for more people from different classes and will also increase income for the management. In order to reduce the noise problem a barrier should be created that absorbs the noise. This can be done by closing the gate that is next to the bus stop and leaving the side gate for market users. The position of the gate should be sealed to form a continuous wall. The proposed layout of Stage Market is illustrated in figure 6-2.

Identifying an appropriate site for a market is one step that need to be followed up with careful planning in order for the market to operate to the maximum. The proposed sites for Kenyatta and Githurai will be for open-air markets that can accommodate a diversified number of trading activities. Consideration on this recommendation is also based on the fact that the council is incapacitated financially to construct permanent
Figure 6-2 Proposed Stage Market Layout

- Hotel
- Bar & Restaurant
- Toilets
- Garage
- Filling Station
- Parking
- Gates
- Drainage channel
- Public access
- Assorted Hawkers (goods)
- Hawkers
- Butchery
- Supermarket
- Electrical shop
- Stationary shop
- Retail shop
- Assorted Hawkers (toys, decorations)
- General merchandise
- Music store
- Office

Not to Scale

- Jogoo Road
- Muthurwa Estate
market stalls and install the necessary infrastructure. These areas should be fenced off to curtail any aspiring private developer from illegally acquiring the land. Necessary infrastructure should be laid down before any operations take off. The infrastructure services to be provided include, sanitation, water, drainage channels, street lighting and public telephone booths. The level of these infrastructure services depends on the number of the traders. For example communal water points should be located at different positions within the market in a way that one communal water pipe serves about 30 traders.

Toilets should be constructed at the extreme end of the market taking into consideration the wind direction. Assuming that the markets will be serving about four hundred traders, six toilets should be constructed in each market (three gents, 3 ladies). In order for these facilities not to be abused, each toilet should be allocated a certain number of traders who will take up the responsibility of cleaning the toilet in turns. For the proposed site in Otieno, modern toilets should be constructed and the system connected to the main sewer line. For the Githurai site since there is no sewer line and the soils are cotton in nature hence not suitable for septic tanks, the pit latrines must be emptied once after every two weeks. This will be the responsibility of the Ruiru municipal council to avail an exhauster to do the work. This distribution of responsibility to the traders should also be implemented in Kenyatta Market so that the toilet facilities provided serve the community adequately.

The market area should be divided into two parts. One side should consist of traders who can display their goods on the floor such as second hand clothes, shoes and other non-perishable goods. The other area should be divided into small plots and allocated to traders who will put up sheds of standard value. For instance, the raised stand should be permanent material (slab) while the roof is slanting corrugated iron sheets to drain off rain water. These plots should be allocated to traders selling perishable goods such as farm produce and others selling higher value second hand clothes or new clothes.
The floor of the market should be covered with gravel to facilitate drainage of water and facilitate market operations especially during the rain season. Open drains aligned with slabs should be constructed in between the market floor to facilitate drainage. A soak-pit should be constructed outside the market where the storm water and wastewater should drain. In the case of Otiende, the drainage system should be joined to the main sewer line.

The allocation of the stalls must take into consideration the compatibility of the trading activities. Traders selling fish should be located on one corner considering the wind direction due to the smell pollution from fish, another section should be allocated traders selling consumable goods while those dealing with non-consumable goods should have their own section. Storage facility is one aspect that is over looked by the planning authority in most open-air markets. Provision for this facility must be incorporated in the market design such that traders do not have to hire the facilities from outside or carry their goods home. Two big stores must be provided for storage of consumable and non-consumable goods. A fee is charged for the utilization of this facility which boosts the council’s revenue base.

The management of garbage within the markets is a major environmental hazard. Permanent collection tanks should be constructed just outside the fenced area since garbage bins are too small to serve the large community of entrepreneurs. The capacity of the solid waste tank must take into consideration the amount of solid waste generated by the traders. The average solid waste generated per person per day is approximated at 0.5 kg. A trader is expected to generate more solid waste considering the type of activity. Assuming that the average waste generated per person per day is 1 kg, the collection tank should not be less than 3000m³ in order to give allowance incase the solid waste is not collected promptly once per week. The relevant councils must make sure that the tanks are emptied once per week to control any form of environmental pollution.

Communication system is very important for the growth of any business enterprise. The NCC and Ruiru municipal council should consult with Telecom Kenya to make provision
for public telephone booths outside the market for use by both customers and traders. Street lighting is also crucial to enhance security in the evening and at night. In order to prevent unhygienic food hawking within these markets, provision should be made for two food kiosks within the market. The traders in charge will incur the construction cost and the piping for the case of Otiende site in order to ensure that the wastewater is drained into the sewer system. For the Githurai sites the wastewater should drain into the soak pit. The public health officer must ensure that the food kiosks are up to standard with the requirements of the public health Act by running checkups once a fortnight.

The maintenance of all the infrastructure services should be the responsibility of the relevant councils while the revenue collection (rent, fees) should be a joint venture between the market inspectors/masters and the traders’ organization representatives. Each category of traders should elect a representative to the market committee. This collaborative effort would ensure that there is adequate collection of revenue and some of it is retained to maintain or service the necessary infrastructure. The proposed Open-air market layout is shown in Figure 6-3.

In order for the current Kenyatta retail Market to be fully operational so that to benefit both the council and entrepreneurs, there is need to restore the collapsed infrastructure such as electricity, water, sanitation, garbage collection and telephone booths. This is solely the responsibility of Nairobi City Council but better results can be achieved through constructive consultations between the market committees, local authority and an external development agency. The external agency may be contracted to provide the supportive infrastructure on condition that the expenses incurred will be paid back from the revenue collected from the respective market.

6.4.1.3 Legal and Regulatory Framework

The study established that there is a legal framework within which trading activities do operate embodied in a set of by-laws. The by-laws control, regulate and stipulate conditions under which market activities are licensed and operate. The way the by-laws are interpreted and implemented may to some extent be construed as punitive. This could
Figure 6-3 Proposed Open-air Market Layout

LEGEND

A - Food kiosks
B - New clothes & shoes
C - Kitchen ware items
D - Second hand clothes & shoes
E - Cereals
F - Vegetables
G - Eggs
H - Fruits
I - Storage facility
J - Charcoal
K - Potatoes, yams & cassava
L - Flowers
WP - Water point
--- - Water drainage channels
be attributed to lack of awareness from traders about the legal requirements, ignorance of the law or due to negative attitude of policy makers and law enforcement officers on the entrepreneurs. There is need therefore to promote a conducive legal and regulatory environment towards market operation. This can be achieved by taking the following steps. The first step is that the current market section under the Department of Housing and Social Services should be upgraded to a full department. This is because with the current status, housing and other social services tend to overshadow the significant role that should be attached to urban community markets. By upgrading the section, it means that the department can have its own director and the relevant supportive sub-departments. Officers such as a planner, engineers and researchers will be attached to the department to perform the necessary role.

One of the major handicaps in planning for the urban community markets is poor coordination between the relevant key players and lack of data. The current forward planning department in city hall finds it hard to prepare plan for markets due to lack of necessary information on number of traders to be planned for, the space to plan on and there is very little assistance provided by the department of housing and social services. The new department will therefore be in a position to formulate policies and regulations that are in tune with the current urban socio-economic environment and one that is relevant to the operations of the entrepreneurs. The department will therefore carry out the facilitative role of market operations instead of only the current role of administration. This will enhance direct link and dialogues between administration and the entrepreneurs. It will also be easy to carry out detailed surveys necessary for the development of the markets and source external assistance from development agencies. A well established and coordinated market department will instill confidence on donors who may be willing to help the entrepreneurs either with credit or human resource development.

The second recommendation is that the relevant authorities must be strict in enforcing the by-laws as pertaining to allocated sites, planning standards and environmental matters in accordance to the laid down regulation. Policies and regulations without effective enforcement become meaningless. In Kenya like in many other African countries the
enforcement of regulations is generally poor. In most local authorities, enforcement is hardly done in conformity with regulations. Rather it is for manipulation and rent seeking, with enforcement officers persistently asking for illegal payments. Eviction of entrepreneurs from business sites, extortion and other forms of extra-economic coercion characterize enforcement of regulation of businesses and subsequently stifle businesses. Another problem in enforcement is that a number of the enforcement officers do own some of the enterprises and this affects performance since they are not able to act impartially. This demands that political interests or influences should never override the legal requirements. Enforcing the law means minimal conflicts and increased compatibility among the different land uses.

The third proposal is that the relevant councils should put in place a flexible and a facilitate licensing system. The rampant malpractice in licensing and collection of fees have resulted in traders believing that licensing and fees cannot be processed and/or given in a clean and efficient manner. Punitive measures should be imposed on officer using their own personal receipts to collect revenue. By doing this it will not only seal the loophole of corruption but will strengthen the revenue base of the councils by registering more traders.

6.5 Short Term Proposals
The study established that most open public spaces that could be used as market sites had already been illegally allocated to private individuals especially in Nairobi. The process of revoking the title deeds is highly bureaucratic and slow, and the councils may not have the finances to pursue most of the legal matters. Taking this into consideration the research feels that the current trend in trading activities taking place in any available open space needs urgent action. It is in the researcher’s personal view that the hawkers of who in the better part of the day sell in ordinary markets but come to the city centre in the evening because there is ready market should be catered for. Their numbers has become a nuisance to other town users. There is therefore need for the Nairobi City Council to revise the by-laws and allocate them open public spaces with the city.
Proposed sites for activities include the use of existing main council car parks such as sunken outside Uchumi supermarket (Agha Khan walk) and outside the law courts. This space should be used between 5.30 pm – 7 pm. The Globe Cinema round about site should also be allocated for use the whole day on Mondays, Wednesdays and Fridays. The third site proposed is the Uhuru processional way. This should be used on Saturdays and Sundays between 2 pm and 6 pm when there is no other public activity taking place.

The proper function of these sites demands organization and strict enforcement of rules and regulations. In order to know who should operate on these sites, the hawkers through their organization representative should avail registered names to the Nairobi City Council who should prepare badges for them. Entry charges should be collected against the badge numbers. The council should also specify the type of goods the vendors should sell. This is done in order to reduce competition with the formal businesses. Garbage management within these sites should be delegated to the officials of the hawkers' organization to ensure that the sites are kept clean. Examples of towns where street vendors have been allocated sites within the Central Business District to operate and the arrangement has worked include, Durban, Capetown, Johannesburg in South Africa, Accra in Ghana and Machakos in Kenya. Maasai Market next to Globe roundabout stands out as a good example of a periodic market that operates in an orderly and organized way.

6.6 Programmes and Policy Issues for Optimal Development of the Market

Outlet s

6.6.1 Land Use Policies

Allocating appropriate and legal market sites will offer a long-term solution to the conflicting land uses that have emerged as a result of the trading activities. However, this can only be achieved through incorporating market zones in the future urban plans as significant land uses where small scale entrepreneurs can be allocated. It is only then that adequate space and effective location can be acquired, without causing conflicts with other land users. The market being such an important employer, it is justified that sites should be set aside in all the residential estates for the community markets. Physical
development plans (PDPs) should be prepared by the relevant Local authorities for the market sites in order to prevent illegal allocation. Setting aside legal market sites will enhance the security of tenure for the entrepreneurs. This in turn will eradicate the fear of eviction hence promoting the growth and development of the business enterprises. Any interested development agency wishing to assist the entrepreneurs will do so without fear of loosing its investment.

Using the catchment population of the Nairobi Metropolitan Growth Strategy (1973), Kenyatta and Githurai Markets should have been planned as major markets. This is based on the fact that Githurai is the main open-air market serving Kasarani division and the most people within Ruiru municipality. Kenyatta Market on the other hand is the main retail market serving the populated Kibera Division. The population of these two divisions, 338,925 for Kasarani and 286739 for Kibera justifies a major market. The metropolitan plan advocates for a catchment population of 200,000. The proposed sites must therefore take into consideration these factors. Stage market should be planned as a local market. This is based on the fact that other major markets (Gikomba and Wakulima are within the vicinity. With a catchment population of 150 people per stall (Nairobi Metropolitan Growth Strategy, 1973) the market should be serving a catchment population of 10,500. This is a population of the immediate residential estates such as Muthurwa and Kamukunji. This implies that for the Market to sustain itself, it must offer services that are within the economic reach of these residents and also those which can compete successfully with the major markets.

The relevant councils should be strict in enforcing the by-laws pertaining to allocated sites. The starting point should be to revoke the title deeds for illegal acquisition of the public land. Implementing the law by prosecuting the developers in court of law will discourage the malpractice in land allocation.

6.6.2 Environmental Policies

Previous studies have observed that trading activities carried out within markets have considerable impact on the environment both at individual as well as the collective land.
The current study has further indicated the deterioration of the urban environment as a result of the current location of public community markets. The environmental effect is a concern that should be addressed not only at the national policy level but at the micro level of the enterprise management. The study recommends that the relevant management in these markets should take the initiative of sensitizing the traders on the need to keep the market environment clean and penalties should be imposed on the defaulters.

6.6.3 Partnership Policies

The local authority is endowed with the responsibility of providing community infrastructure with the necessary accompanying physical infrastructure within her areas of jurisdiction. Public communal markets happen to be one of the community infrastructure services provided and managed by the local authority. The research has shown that both the Nairobi City Council and Ruiru municipal council have failed to sustainably manage the Githurai and Kenyatta markets leading to emergence of other vending activities beyond the zoned area. The study recommends that the two councils should develop a workable network with various NGOs, development partners, government departments and the traders representatives from the various markets committees in order to sustainably plan, implement and manage the operations within the markets.

The partners should have defined roles such as, the development partner will have the role to provide the finances necessary to establish the market and enhance capacity building for entrepreneurs through training on issues such as record keeping, marketing skills and environment factors. The Government departments should accord the necessary advice on plan formulation and the necessary level of infrastructures. The departments to be involved include planning, surveying and engineering. The National Chamber of Commerce should be involved in order to moderate on how to incorporate the vendors into the CBD though it is a zone of formal business. The local authority should provide space, facilitate consultations between the development partner and entrepreneurs or government department, and manage or maintain markets. The entrepreneur's
organization should be incorporated in the management of the market such as fee collection and educating the fellow entrepreneurs on environmental issues.

The recommended partnership model should be as shown in Figure 6-1

**Figure 6-4 Proposed Partnership Model**

6.7 Area For Further Research

The study on the three markets is not conclusive in itself to sustainably plan for urban community markets. There is need for further studies on the other types of private formal community markets such as the Mall in Sarit centre, Uchumi and Nakumatt supermarkets in order to have a wider scope of comparative study. There is also need for a detailed survey on the strength of linkages between the source of goods, market place and the consumer in order to determine the sustainability of the planned market.
REFERENCES


Marketing of Fruit and Vegetable. IDS discussion paper No. 176 Unpublished report


APPENDICES

Appendix I Questionnaire for Entrepreneurs

Planning for sustainable urban community market outlets: comparative case study of Kenyatta, Githurai and stage markets.

Part A: Preliminary information (Household)

1. Questionnaire No.
2. Area/market
3. Plot no.
4. Name of respondent
5. Status of respondent in relative to business
   a) Owner
   b) Husband/wife
   c) Other (specify)
6. Nature of business ownership
   a) Partnership
   b) Sole proprietor
   c) Others (specify)
7. Type of business/registered name
8. Marital status of respondent
   1) Married
   2) Single
   3) Separated
   4) Widowed
   5) Other (specify)
9. Household size of respondent
10. Level of formal education
   i. No education
   ii. Primary
   iii. Secondary
   iv. Higher education

11. Level of technical education
   i. Polytechnic
   ii. On job training
   iii. Others (specify)

Record the household members characteristics in the table below

<table>
<thead>
<tr>
<th>Name</th>
<th>Sex</th>
<th>Household status</th>
<th>Age</th>
<th>Education level</th>
<th>Marital status</th>
<th>Occupation</th>
</tr>
</thead>
<tbody>
<tr>
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</table>

12. Do you have other business sites? (specify the area).

PART B: RESIDENCY

13. Where is your Residence: .................................................................

Fill in the table below

<table>
<thead>
<tr>
<th>Name of estate/area</th>
<th>Ownership of the house</th>
<th>House type</th>
<th>Number of rooms</th>
<th>Rent / Purchase price</th>
</tr>
</thead>
</table>
House ownership
01 - owner occupied
02 - rented
03 - squatter
04 - government / L.A allocated
05 - others (specify)

House type
01 - permanent
02 - temporary

14. For how long have you been a residence here?

15. Are you connected to the following infrastructure service?

<table>
<thead>
<tr>
<th>Types of service</th>
<th>average bill per month (Ksh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water</td>
<td></td>
</tr>
<tr>
<td>Electricity</td>
<td></td>
</tr>
<tr>
<td>Telephone</td>
<td></td>
</tr>
<tr>
<td>Others (specify)</td>
<td></td>
</tr>
</tbody>
</table>

16. How far is the residence from the place of work?

17. What mode of transport do you use?
   i. Walking
   ii. Public transport
   iii. Private car
   iv. Others (specify)

18. What is your average transport cost per month?
PART C: BUSINESS OPERATIONS

19. When was the business started (yr)?

20. What was the initial capital in kshs?

21. What was the source of this initial capital?
   (a) Loan
      i) bank loan
      ii) Co-op loan
   (b) Own savings
   (c) Employment benefits
   (d) Informal Borrowings
   (d) Others (specify)

22. Have you operated this business in other areas?
   Yes    No

23. If yes why did you move to the current site?

24. Do you have any employees?
   Yes    No
   
25. If yes fill in the table below

<table>
<thead>
<tr>
<th>Number</th>
<th>Nature of Employment</th>
<th>Day/Monthly Payment (Kshs)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>i. Permanent</td>
<td></td>
</tr>
<tr>
<td></td>
<td>ii. Temporary</td>
<td></td>
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</tbody>
</table>

26. What is your source of goods?
   i. Wholesalers
   ii. Manufactures/factory
   iii. Hawkers
   iv. Others (specify)
27. Who are your customers?
   i. Working class/formal employees
   ii. Fellow traders
   iii. Others (specify)

28. Where do they reside?
   i. Within Nairobi (list the areas)
   ii. Outside Nairobi (specify)

29. What is your,
   a) Approximate turnover per month (total sales)
   b) Approximate profit per month
   c) Approximate monthly overhead costs for
      i. Salary
      ii. Rent
      iii. Transport
      iv. License
      v. Tax
      vi. Others (specify)

30. Why did you start this particular business?
   a) Personal interest
   b) Affordability
   c) Easy to get materials
   d) Others (specify)

31. Is your business insured
   Yes __________________ No ____________________

32. If No why?
   1 __________________________________________
   2 __________________________________________
33. How do you spend income [indicate average amount (Kshs)]
   i. Education
   ii. Household effects: a) Foodstuff b) Non-food
   iii. Business
   iv. Others (specify)

34. Are you happy with your current location?
   Yes ___________ No ______________

35. If NO why?
   i. Harassed by city askaris
   ii. Low profits
   iii. Less space
   iv. Poor shades
   v. Others (specify)

36. What other problems do you encounter in your day to day running of your business?
   Financially .................................................................
   Transportation ..........................................................
   Accessibility to your customers ..................................
   Sanitation ..............................................................
   Others (Specify) .....................................................

37. What would you purpose the government should do to improve your current working environment?
PART D: INFRASTRUCTURE/SERVICES

38. Where do you get your water?

39. Type of water supply: amount per month/day charges per day/month

a) Piped
   i) individual
   ii) Communal

b) Vendors/sales

c) Borehole

d) Others (specify)

40. How far is the source from the business site?
(Km/meters.........................................................

41. Sanitation type distance from business/km/m
   i. Sewage (trunk)
   ii. Septic tanks
   iii. Ordinary pit latrines
   iv. Others

42. Where do you dispose your solid waste?

43. How often is it collected?

44. How much do you pay for the service (Kshs per month)

45. List the infrastructure/services that you expect the city council should provide for the market
   1...........................................................................................................
   2...........................................................................................................
   3...........................................................................................................
Appendix II SCHEDULE INTERVIEWS

Planing for community market outlets  A comparative case study of Kenyatta, Githurai and Stage Markets  (Field survey questionnaire)

Market Superintendent questionnaire
1) How many NCC markets are there in Nairobi? ............................................................

2) Has the NCC classified the markets according to any criteria such as population, site:
   Yes __________________ No __________________

   If yes list the markets and criteria used
   1 ................................................................................................
   2 ................................................................................................
   3 ................................................................................................

3) What factors could have led to the emergence of informal markets?
   1 ................................................................................................
   2 ................................................................................................
   3 ................................................................................................

4) Tick the infrastructure /service the NCC offers to the markets as part of management

   i. Electricity
   ii. Water
   iii. Solid waste
   iv. Repair and maintenance
   v. Others (specify)

5) Out of the above services, which ones are offered in Githurai and Kenyatta markets?

6) How much fees is collected from these markets
   i. Per week
   ii. Per month
7) What system do you employ in licensing the operators/vendors?

8) What problem does the council experience with the vendors/operators (tick)
   i. Non-payment of fees
   ii. Poor disposal methods
   iii. Conflict with other land uses.

9) How do you go about solving the problems?
Appendix III City Planning Department and Ruiru Municipal Council Questionnaire

Planning for urban community market outlets: A comparative case study of Kenyatta, Githurai and Stage Markets.

1) What are the requirements for locating an urban market?
1
2
3

2) How does NCC carry out development control on market location and operation?

3) What operation policy does the NCC have for the growth/promotion of urban markets?

4) What are the planning standards for the informal and informal markets types in terms of:

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<thead>
<tr>
<th></th>
<th>Formal</th>
<th>Informal</th>
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<tbody>
<tr>
<td>(i)</td>
<td>Level of infrastructure services</td>
<td></td>
</tr>
<tr>
<td>(ii)</td>
<td>Physical area/size (acres/hec)</td>
<td></td>
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<td>(iii)</td>
<td>Catchment population (people)</td>
<td></td>
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<td>(iv)</td>
<td>Range of good/accessibility</td>
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<td>Which people should it serve:</td>
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<tr>
<td></td>
<td>(a) Neighbourhood</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) NCC housing</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(c) The whole city</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(d) Others</td>
<td></td>
</tr>
<tr>
<td>(v)</td>
<td>Market functions/activities</td>
<td></td>
</tr>
<tr>
<td>(vi)</td>
<td>Nature of stalls (tick)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) Permanent</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) Temporary</td>
<td></td>
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<tr>
<td></td>
<td>(c) Open air</td>
<td></td>
</tr>
<tr>
<td>(vii)</td>
<td>Security of goods and the users</td>
<td></td>
</tr>
<tr>
<td>(viii)</td>
<td>Compatibility with other uses</td>
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</tbody>
</table>
5) What would you consider are the planning issues that have resulted as a result of the current location of the urban community markets?

6) As a planner what planning intervention measures have been put into place to resolve the current problems?

7) What role has these markets played to the;
   (i) City council .................................................................
   (ii) Urban economy ...........................................................
   (iii) Vendors ........................................................................

8) When the markets are being planned, does the NCC take into account the poverty issue?

   Yes                  No

9) If No what role is the NCC playing in the poverty eradication plan?

10) Is there land set aside for the expansion of the existing markets or for the relocation of vendors on the conflicting sites?

    Yes ___________________________ No ___________________________

    If YES give the acreage ___________________________

11) How has the new physical planning act facilitated the planning process with reference to informal activities

12) What challenges do you encounter when enacting or implementing the act?

1  

2  

3  

13) Any other relevant information regarding location and operation of urban markets?
Appendix IV Checklist

Households Neighbouring the Market

1) For how long have you live here close to the market ________________ yrs

2) Please tick types of goods/services you get from the market for your household

Types of goods/services

Food (packages)
Grocery/vegetable
Meat/milk products
Clothing (adult/children)
Body care/beauty services
Telephone services
Medical services
Building repair
Others (specify)

3) List other services/goods you would wish to be provided for in the market

1
2
3

4) List problems associated with the current location of the market

1
2
3

5) How can the market be improved to serve you and the community at large better