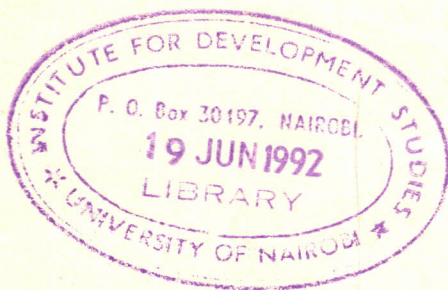


**THE ROLE OF THE INFORMAL SECTOR
IN THE DEVELOPMENT OF SMALL
AND INTERMEDIATE-SIZED CITIES**

A CASE STUDY OF NAKURU



by
Njuguna Ng'ethe and Gichiri Ndua

Institute for Development Studies
University of Nairobi
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Introduction

This book contains the final findings of a study on the role of the informal sector in Nakuru, Kenya. The study was carried out between July 1983 and June 1984. It was carried out by the authors both of whom are researchers from the Institute for Development Studies (I.D.S.), University of Nairobi. The study is part of a cross-national study on the role of the informal sector in the development of small and intermediate-sized cities.

The Institutes' past concern with the process of urbanization in Kenya and the role of the informal sector in this process is of long standing, going back to the 1972 I.L.O. Mission to Kenya during which the concept of "informal sector" was virtually coined. Since then, numerous I.D.S. - based studies on urbanization and the informal sector have been conducted. One main feature of most of these studies is that they have concentrated on Nairobi, the primate capital of Kenya. For this reason, we are certain that this study is a departure from the normal.

The Institutes' past and on-going urban research programme arises out of the conviction that urban centres, small or large, will not go away, problematic as they are. They must, therefore, be better studied, understood and consequently be made to play their role in national development. In the past, for real and sometimes nostalgic reasons, emphasis has been placed primarily on rural issues and rural planning, at the expense of asking some very fundamental questions relating to the possible contributions of urban centres to national development. One of the "fundamental questions", in this respect, has to do with the employment potential of urban centres, in this case, the potential of the urban informal sector.

This position on the rural-urban development debate should not be misunderstood. The existence of the rural-urban dichotomy in social and economic terms is not being dismissed. It is accepted that in making national investment decisions emphasis must be placed on improving conditions in the rural areas where the majority live. However, increased urbanization at this time in our national development is inevitable. Moreover, the rural-urban dichotomy is only partly real, that is to say, it is also partly conceptual. In thinking about national development therefore, one cannot afford to think of the two sectors as if there was a physical barrier separating them. Morally, one can ill-afford to think of one as legitimate and the other as illegitimate. One can, therefore over-emphasize either of them at their own peril.

For the above reasons, the I.D.S' continued initiative in looking at urbanization in relation to national development is welcome. This in itself is innovative. But perhaps even more interesting in this case is the emphasis on the development role of small and intermediate urban centres, thus shifting the attention away from primate cities. While primate cities will no doubt continue to play a very important role in national development, there are more than enough reasons to expect, indeed to demand, that smaller urban centres play a much bigger development role in future. But before the smaller urban centres can fulfil their promise, the nature of the promise, if not the very existence of it must be ascertained. This study is an attempt in that direction.

The first chapter discusses general methodological and conceptual issues such as the concepts of informal sector, as defined in this study. The second chapter is a background chapter on Nakuru town where this study was conducted. This is followed by short concluding chapters.