A STUDY OF COTTAGE INDUSTRIES IN THE URBAN INFORMAL SECTOR:
A CASE STUDY OF GIKOMBA BELT NEIGHBOURHOOD.
NAIROBI, KENYA.

BY
JASON M.H. MOCHACHE, B.Arch. (Hons).

A thesis submitted in part fulfilment for the Degree of Master of Arts (Planning) in the University of Nairobi.

JUNE 1985.
DECLARATION

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

Signed ____________________________
Candidate

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

Signed ____________________________
Supervisor.

JUNE 1985.
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ABSTRACT

The problem of the urban informal sector activities development emerges as a thorny issue in urban planning in developing countries. The study is an attempt to trace the evolution of these activities in Nairobi, Kenya, with a subsequent intent to replan them.

The general background to the study reveals that the present state of the informal activities in Gikomba Belt Neighbourhood, Nairobi, is as a result of a number of intermingling forces inherent in the political, socio-economic and legal setting. The recommended solutions to the study therefore have, as their basis, a consideration of these political, socio-economic and legal factors.

The study which is also an assessment of the plight of the informal sector operators in Gikomba emerges with the conclusion that the major inimical forces presently hampering the development of the informal sector are: lack of suitable operation spaces, unfavourable institutional organization of the activities and difficulties in obtaining sufficient operating funds. It is therefore observed that the major preoccupation of the study recommendations is to ease these retardive forces to such a level that the informal activities
may be able to operate in a more favourable environment.

The proposed Gikomba Special Enterprises Zone is an attempt to translate the study findings into physical environmental planning in Nairobi.
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CHAPTER 1

1.1.0 INTRODUCTION

Since pre-historic times, it has been the concern of mankind to provide himself with goods and services through some form of aided production method. Whether through crude or ingeniously innovative production units, it is observed that specific attempts have been made in manipulation of the methods to elevate the efficiency of production. These manipulations have contributed to what is generally known as industrialization. It is also seen that various historic eras have advanced the sophistication of these industries and depending on the production levels and the materials handled, subsequent categories of industry have been identified. Terminologies such as heavy industry, light industry, small scale or cottage industries have emerged, each being as a result of criteria and context of reference.

In the developing countries, development trends have generally favoured the small scale and cottage industries. This has been as a result of low levels of technology and lack of resources needed for the development of the heavy industrial types. It is also observed that in the developing countries, the development of the more sophisticated
industries was done by colonial enterprises, completely unconcerned about the indigenous peoples' participation. On attaining their independence, the developing countries have concentrated their efforts in the development of the small industries as a stepping stone towards the more sophisticated industries. This however has not been without a number of retroactive forces in the various environmental sectors.

Kenya, which only achieved independence in 1963 reflects a situation typical of the above colonial domination and the ensuing racial development policies. Lack of knowhow among the indigenous people, lack of equitable distribution of economic resources, and inadequate concern by the government and community for the small industries and the informal sector generally have hitherto been observed to be significant negative forces. Therefore, the development of the small industries and the informal sector have been slow and insufficiently beneficial to the economy, despite the fact that substantial individual efforts have been devoted to them.

Also, because of the retroactive forces, two major subsectors of industrial development have generally occurred; viz: a formal sector
mainly organised through state, parastatal or major private corporations and enterprises, and an informal sector, informally organised and working in most cases within marginal resources and against the stipulated controls and standards.

On the other hand, the role of these small industries and their relevance in a developing economy as that of Kenya, needs no reiteration. Benefits accruing in terms of employment creation, skill acquisition income generation and general elevation of human life are but few one could attribute to these activities.

The informal sector should ideally have been the developers delight in a bid to achieve greater economic development, social change and technical advancement; because of its low capital investment levels and relatively high employment capacity. However, in Kenya, despite the staggering population growth rate (3.5%) and strong rural to urban migration, leading to an average urban population growth rate of 7.9%, and also with declining capital which is required for the formal industries development, it is observed that the development of the informal sector has been greatly underemphasised.

In the urban areas, where the concentration
of the activities has tended to come up spontenously, out of necessity and in a bid to utilise the economies of scale, many constraints emanating from political, economic, social and legal sources have hampered the informal sector activities.

The Nairobi Gikomba Belt Neighbourhood case was taken as typical of an area where high demand forces in terms of high population growth rate, high unemployment and with a colonial industrial development background which was set up specifically to meet the interests of a particular group. The informal sector activities therefore sprung up in a bid to perform a number of roles to the depressed poor; which formal mechanisms were not geared to provide.

It is also observed in the study that while Gikomba Belt neighbourhod was found to be heavily infested by informal sector activities, the development of these activities was found to be curtailed, albeit a large spectrum of environmental planning issues. The analysis of these environmental issues which were found to be interwoven between policy frameworks legal setting and socio-political entanglements was found to be the mainstay of the study.
MAP NO 1  
NAIROBI IN KENYAN SETTING
MAP NO. 2
NAIROBI IN THE REGIONAL SETTING
(after gk kingoriah)
Problem Statement

The evolution of the informal sector activities in the Kenyan urban areas is observed to be as a result of the exponentially rising gap between the formal sector employment creation and the high rate of urban population increase. In Nairobi despite the existence of the above stated conditions of unemployment, it is observed that efforts by the urban poor in trying to develop the informal sector as a form of employment, in areas where they find suitable, have been inhibited by urban planning and land planning regulations, business licencing regulations, lack of accessibility to credit and lack of supportive policy. It is also noted that poor organization within the informal sector itself has also been a prevalent setback to the development of the informal sector.

In the Gikomba Belt Neighbourhood study area, it is observed that the informal sector activities are torn into small individual business units, and they operate generally in squattered land. Hence, it is found that the establishments do not normally get consideration for development promotion. Also, the informal activities, while they try to come up where infrastructure, services
and the market for goods produced are right, inimical controls have tended to displace the activities to less favourable places. It is therefore found that the activities have spread uphazardly in the area resulting to an environment where landuse activities are mixed regardless of their compatibility and the ensuing environmental consequences.

The concern of the study was therefore to highlight the merits and demerits of the existence of the informal activities at Gikomba with a view to come up with possibilities for a future structure plan for the informal sector activities development in Gikomba Belt Neighbourhood.

**Significance of the Problem**

Due to the retroactive forces to the informal sector development at Gikomba, the informal activities have spread in uncontrolled manners and have tended to remain temporary in nature. This has tended to hinder any planning efforts to control the Gikomba area, thus, leading to a more environmentally unsuitable urban setting.

Also, due to lack of governmental and public recognition and also due to poor organization of the informal sector activities, the urban
informal sector has tended to be regarded as a social and an aesthetic eyesore in urban areas rather than as a significant economic sector.

1.2.0 OBJECTIVES OF THE STUDY

The main objectives set for this study were:

1. To examine the evolution of the informal sector activities in Nairobi with particular reference to Gikomba Belt Neighbourhood.

2. To examine the role and contribution of this sector to the area and the city's growth.

3. To examine the impediments which have hitherto beset the development of informal activities in Nairobi's Gikomba Belt Neighbourhood, with particular attention to physical controls, policy and institutional controls, legal controls, political and socio-cultural controls.

4. To examine the location and performance of informal industries as significant landuses within the Gikomba Belt Informal Sector Neighbourhood.

5. To suggest future development possibilities
for the cottage industries in urban areas of Kenya and the Gikomba Belt Neighbourhood in Nairobi in particular.

1.3.0 STUDY ASSUMPTIONS

In order to examine the subject in line with the objectives and scope laid out, the study was based on the premise that the cottage industrial activities in the Kenyan urban centres are not fully developed and encouraged due to:- poor organization, lack of governmental concern, unfavourable industrial and urban planning policies on these and due to lack of sufficient research to enable an appraisal of the economic, social and physical potentiality of these informal sector activities.

The specific assumptions made for the study were:-

1. The unemployment conditions existing in the Kenyan urban areas can be alleviated by recognition and organization of the informal sector activities.

2. Cottage industries are a major component of the urban economy and should therefore be promoted.

3. The Nairobi urban planning will continue
to be in a state of dilemma unless the informal sector is recognised and planned for in some of the areas where it tends to start spontenously.

4. The Gikomba Belt Neighbourhood of Nairobi is an ideal urban environment, what it needs is proper infrastructure, land security and favourable policy frameworks for the informal sector activities and the operators will improve its environmental state tremendously.

1.4.0 SCOPE OF THE STUDY

The study initially looked into the general structure of the informal sector activities and their development in Kenya. The Nairobi case was then isolated and analysed from the pre-independence era to the present with specific emphasis laid on the evolution of the activities in the Gikomba Belt Neighbourhood of Eastern Nairobi. Further analysis isolated the cottage industries within the general informal activities for more critical examination.

The Gikomba Belt Neighbourhood case study is looked into with an emphasis of the physical planning possibilities for the area. This further examined the political, policy, legal,
social and physical constraints which have hitherto inhibited the development of the cottage industries. The intention is to gather essential information and suggest future development approaches for the area.

To achieve the objectives of the study within the laid out scope, the study was organized into six chapters.

Chapter one is an introduction section of the study, covering the problem of the statement and its significance, study objectives and assumptions, scope, related literature review and study methodology.

Chapter two gives the background to the informal sector activities in Nairobi and the study area specifically. The causative and inhibitive factors to the informal sector development in the study area hitherto are also examined in this chapter.

In chapter three, the Gikomba case study area existing situation is examined. The conducted survey information on the informal sector state in the area is also analysed and relevant conclusions drawn.

Chapter four examines the institutional
controls and policy trends in Kenya and in a few other countries in relation to the informal sector development.

Chapter five is a summary of the study findings and their implications, suggested recommendations for alleviating the identified problems and their implications, and a proposed development structure plan for Gikomba informal sector zone.

Chapter six is the study summary and conclusions. Bibliography and appendix also form part of the final chapter.

1.5.0 LITERATURE REVIEW

The informal sector is a relatively new subject in Kenya's development studies. This is not to say that the sector was not in existence earlier on. On the contrary, the sector has preceeded man's involvement in industrialization but what is possible is that the nomenclature has changed.

Many analysts have difficulties as to where really the boundaries to the sector are. Others in a bid to define the phenomenon, have in most cases come up with a whole ensemble of what happens in the informal sector. Sinclair (1978) defines the sector thus:-
"people in the cities of developing countries of the world turn to find subsistence in small scale enterprises run by themselves, friends, relatives or strangers. The myriad forms this response has taken have emerged as one blanket term in the literature - the "informal sector." ¹

Another analyst, Dore (1976) came up with a similarly long descriptive definition. He says:

".......... the roadside and empty lot mechanic who will weld on a Bournvita cocoa tin to mend the exhaust pipe of the civil servants Mercedes, the leather workers making hand made bags for the tourist trade, the furniture makers, the men who collect empty Esso cans from the garages twice a day and have them processed into serviceable oil-lamps by sunset." ²

The ILO study report in Kenya in 1972 on employment, incomes and equality embraced the informal sector as a major part of its study. The report in part of its analysis defined the informal sector thus:

"Informal activities are a way of doing things characterised by (a) ease of entry (b) reliance in indigenous resources (c) family ownership of enterprises (d) small scale of operation (e) labour intensive and adopted technology (f) skills acquired outside the formal school system (g) unregulated and competitive markets." ³

The ILO report also recognised the informal sector as one of the most neglected sectors of the economy, which however if organized could
lead to a high employment generation zone.

The report continued to state that:

"The informal sector provides income earning opportunities for a large number of people. Though it is often regarded as unproductive and stagnant, we see it as providing a wide range of low cost labour intensive competitive goods and services. Not only does it provide them without the benefit of the government subsidies and support that are received by many firms in the formal sector, but operators in the informal sector are often harassed and hampered by restrictions imposed from outside. We therefore advocate a positive attitude on the part of the government towards the promotion of the informal sector."

On the question of unemployment, the report stated that this problem could only be meaningfully attacked from the roots and not at the stem or apex. This could be achieved through the country's technology and organization in manufacturing and the total industrial sector. Technologically, the report stated that:

There is considerable ingenuity and scope for innovation in the small scale labour intensive
sectors, yet present policies are not favourable to developing this potential." There is however, general bias in research and engineering education towards the large scale enterprises and towards technical departments, thus neglecting the small production units in the country. The main emphasis of the increased programme of the research organization should be a programme concerning technology for rural and small scale industries.\(^5\)

It is through these concerted efforts that the country can realize the traditional skills inherent in the people and utilize them in industrial activities which would supplement the domestic product requirements and if possible export. Such traditional cottage industries can be seen inter alia, in the great works of the Kamba wood carvers, the Kisii soapstone sculptors and the Kikuyu basketry.

Further studies in the informal sector in Kenya have been done by various researchers in the University of Nairobi's Institute of Development Studies (IDS). Louis Muench writes:-

"What now is commonly referred to as the informal sector of the duality which often observed in developing market economics has traditionally been viewed by economists and other developmentalists as a subject unworthy of attention, except as something desirable in
Another writer Haggins (1968) referred to the informal sector as the "traditional" or "retarded" sector in which techniques of production are traditional or highly labour intensive but with correspondingly low productivity. These remarks were counteracted by Muench, who said that:

"the pendulum of the informal sector has become unstack and has swung rather wildly in the opposite direction. This 'traditional' sector has turned out to be Cinderella and saviour as well for several key problems of development. The sector must therefore be seen as a sensitive area of the planner and urban dwellers without due delay."  

House (1977) while undertaking a research on the subject in Kenya reckoned that:

"Appealing the growth of the informal sector as a whole sounds as a panacea for urban unemployment and poverty. We however, have to admit that we know little about the functioning of the sector in Kenya with which to make policy and hence we step by step have to consider the various components of the sector in a bid to get information."

Sinclair's remarks were concluded by an ILO World Development Programme Survey in Sudan in 1976. The report in part stated that:

The picture that emerges for the informal sector in the Sudan for example, is that of
heterogenous and complex activities. At its most advanced level, we have the well established enterprises carrying out the bulk of retail trade, the middle level, where the majority of establishments exist are the multitude of small manufacturing, service and commercial establishments employing a large number of people who are making reasonable living, and who are there to stay. Finally therefore the traditional petty vendors who are in transition to and from the formal sector jobs and who at the moment do not seem to constitute a significant portion of the informal sector.\textsuperscript{10}

The implication of the report seemed obvious that an attempt to look into the subject must disintegrate the aggregated activities into a form of small units which can be easily studied. Such itemization of the sector would say separate hawkers, carpenters, shoe makers, barbers and so on. This is further justification why a study of cottage industries within the sector is envisaged in this paper.

Frank child while conducting a study on the informal activities in the rural areas of Kenya came to a conclusion that:-
"Although the informal sector business are typically small, they provide a better than average Kenyan income for their owners. The rate of return on invested capital exceeds that of the modern sector by a substantial margin and that both the capital/output and the capital/labour ratios are low. Child was therefore of the opinion that policies to promote the informal sector need to:

(i) Have a removal of legal impediments.

(ii) Provide infrastructure for the sector.

(iii) Embark on the expansion of the small enterprises extension services and the expansion of a subsidised on the job training programme."\textsuperscript{11}

In response to the ILO report on the informal sector in 1972, the Government of Kenya in a Sessional Paper No.10 on Employment of 1973 stated that:

"The informal sector consists of the myriads non-agricultural activities which are undertaken in both rural and urban areas. The sector is characterised by the small scale labour intensive provision of goods and services for a market largely made up on the demand side by people with low incomes."\textsuperscript{14}

The Sessional Paper went on to state the fact that:-

"One of the characteristics of the informal sector is that very little is known about it. It is almost by definition excluded from official statistical enumerations. If the ILO report figures are anything to rely on, then by 1969, the informal
employment accounted for as much as 30% of total urban employment in Kenya.\footnote{13}

Tonny Killick came up with a policy recommendation kind of statement in 1977. He says: the interconnections between the informal sector and the wider economy are important and complex, that a system's approach to informal sector policy would be highly desirable. Urban and rural interactions must be seen as important in any solution context. Killick went on to suggest that technology policy is of vital importance to the future development of the sector. Simple technologies, with labour intensive approaches, requiring no inputs of purchased capital would be the most feasible for this sector.\footnote{14}

To conclude the issue on the informal sector, the 1973 Sessional Paper on employment stated that:-

"The Kenya government finds the ILO report to be refreshingly innovative on the subject of the informal sector, and generally accepts its recommendations."\footnote{15}

Such a conclusion would make one believe that the report was to be acted upon, fully fledged by the Government policy makers. However,
the pace is seen to have been slow and therefore urban unemployment is on the increase. It is therefore no surprise that the plight of the informal sector actors is as gleam as it was more than a decade ago. This is more so especially on the small scale industrial development sector where the large enterprises are seemingly given more attention and support while the small sector remains unrecognised and in most cases inhibited.

The intermediate sector should be the development planner's delight. It provides its own ventures capital and trains its own skilled labour. It needs little of the expensive high level professional manpower so much in demand in the modern sector. Roads, utilities and communications provided for the modern sector will also benefit the intermediate sector at no extra cost. A technical assistance programme must surely cost less than those imported for the benefit of large scale enterprise and the public sector. It is a low cost development sector and generates employment at minimal cost per job.\(^\text{16}\)

In rather conclusive manner also, Tobin (1973) suggested that:

"If a developing economy has a choice between a 'modern' capital using technology and an 'old' more labour
intensive technology, channelling of investment to the 'old' technology will normally reduce the unemployment and raise the growth of net income simultaneously."17

Child went on to sum up the debate between the intermediate and the modern sector in favour of the former thus:

"The intermediate sector offers a favourable return on scarce capital, generates productive jobs at low investment per job, utilises savings not otherwise available, develops new skills at low cost to society, a combination hard to get. It might even slow down the rate of urbanization. A developing economy could hardly ask for more."18

The Government of Kenya Development Plan 1984-88 summarises the critique by offering some of the strategies intended to be followed in the current plan period to realise fruits in the informal sector. It states in part:

"In the field of small and cottage industries, the emphasis will shift from capital intensive modern industries to skill based industries. Intermediate technology will be promoted. A full fledged cottage industries division will be established in the Ministry of Commerce and Industry to monitor the implementation of small scale industries development programme and to provide assistance to the individual extension service in collaboration with the project studies division."19
The plan went on to state that

"The Ministry of Commerce and Industry will in collaboration with the Ministry of Culture and Social Services prepare a coordinated plan for the development of handcrafts and cottage industries with the object of diversifying handcrafts production, creation and design development, facilities, establishment of common production services and organization of craftsmen, to facilitate the procurement of supplies and to render credit assistance."²⁰

Guy Hunter's rhetoric seems to make a thoughtful punctuation stop to the literature. In his observation of the Tanzanian manpower and employment, he wondered:

"There is high potential in much of her soil, much of it is still unexploited, there are other natural resources awaiting development. There is also a great reservoir of undeveloped human capacity. How does this tantalizing situation arise that resources are there and people are there, yet the two cannot be brought into productive union."²¹

Incidentally, this question is very applicable to the Kenyan case, especially in the development of the small industries.

It is therefore primarily observed that the literature on the informal sector tends to feature quite prominently on trying to define and
isolate the sector for further examination. This was also observed to be the case by Sinclair (1978), Dore (1976) and House (1977) in their statement that there is very little known about the informal sector from which any policy conclusions could be made. House's observation that the constituent components of the sector must be isolated and each analysed as entity so as to decipher the complexity behind the activities draws much validity for this study. This was the main criterion behind the isolation of cottage industries as a component, not only of the formal commercial activities at Gikomba but also as a component of urban land uses in Nairobi.

The study agrees with the ILO study recommendations in Kenya in (1972) and in Sudan in (1976) which stated that even a specific activity has within it heterogenous components which have to be disaggregated for further examination. Such disaggregation is envisaged in the Gikomba informal industries in terms of activity, components of the activities and the subcomponents and their ensuing activities.

The choice of technology was found to be another dwelling for much of the literature cited. Frank Child's (1977) assertion that a developing
country will generally choose what appears to be the old but more labour intensive technology was found to form another major deliberation for this study. No 'sophisticated' industries were therefore considered in the cottage or informal industries for the purpose of definitions used in this study. In this connection therefore, the study reiterates Muench's (1977) observations that the essence of development of small industries is to raise employment levels through labour intensive technics and low level technology as opposed to high level mechanization and automation.

The real contribution of the study to the foregoing literature is anticipated to lie in the attempt to apply the findings in the informal sector in the urban physical environment plans, as it is shown in the suggested structure plan for Gikomba Belt Neighbourhood, Nairobi.

It is also noted by the various writers that tangible information about any specific activity is essential in order for any appraisal of this activity to be carried out. This study is also therefore an attempt to gather information for appraising the urban informal sector in the physical planning process.
1.6.0 STUDY METHODOLOGY

1.6.1 Identification of Study area

In order to identify a study area for the research, various points were examined as criteria. These included: the historical setting of the area, degree of activity mix, observed rate of increase of the activities in the area, and the expansiveness of the area, in as far as it would affect data collection in the limited time available.

Gikomba, with a history running to the early 1900s, and an area of only about 75 hectares but having the entire spectrum of informal activities one could think of in Nairobi, suitably qualified for these demands.

1.6.2 Information collection

The required information was gathered through questionnaires, personal interviews, observation, literature review and deductions. In the various cases, the method in use was modified accordingly to achieve the best results.

Data was basically collected in relation to economic, socio-political and legal factors. A brief methodology used in the various sectors
is herebelow described.

**Physical data**

Information required in this case was to bring out the physical attributes of the area regarding: land availability, tenure and ownership, infrastructural condition of the area including communication networks, sewage, drainage, water supply, electricity, telephones and rubbish disposal.

**Economic data**

The survey gathered data and information relating to the following:-

(i) types of different informal enterprises in the study area.

(ii) the number of these enterprises which were industrial and the level of industry in terms of investment and output, income generated and possible utilization trends.

(iii) skills of the business operators in the informal industries and

(iv) employment opportunities and scale of employment and the contribution
of these informal activities to the area occupants.

Social data

The social data required was to bring out the following:

(i) population involved in the informal industrial activities and dependency on the activities.

(ii) origins of the participants.

(iii) community and social institutions in the area and their effects on the informal industrial activities.

(iv) religious institutions and their effects on the activities.

(v) community amenities such as halls, and recreation places and their effects on the informal industrial activities.

(vi) education and health facilities and their effect on the area.

Legal data

This was to bring to light information relating to the various legal controls applicable in
the study area including:

(i) Factories, urban and Land Planning Act,

(ii) Business Licencing Act

(iii) Nairobi City Commission (NCC) By Laws.

(iv) Public Health By-laws.

(v) Utilities Provision regulations.

1.6.3 Methods of Survey

a. Literature survey

General literature survey on the existing structure was conducted. Information and data was to bring out the magnitudes of the various components as laid out in the published information. The literature survey covered all the sectors of the study.

Limitations in this case were experienced from lack of adequate literature, data especially regarding the informal sector economic information, and specific physical data for Gikomba in the last decade.
b. **Physical Site Analysis**

The case study area was delineated from the Nairobi physical plans as laid out by the NCC physical maps. The maps were then updated using the 1978 aerial photographs for the area.

An on site survey was then personally carried out to update the maps and a base map was hence produced. Further surveys were then either additions or abstraction of this base map. A photographic survey was also conducted to show some of the eminent features of the activities in the study area.

Limitations were specifically seen in the non-availability of recent or periodic aerial photographs to access the rate of growth of the informal structures in Gikomba area. It is also regretted that the survey did not gather full information in relation to the various land uses planned for all the parcels of land in the area due to lack of reliable information on this issue.

c. **Questionnaire Survey**

In order to update the gathered information from the literature survey, a questionnaire was drawn, which as far as possible could cover the required data. This is shown in appendix 1.
Method of questionnaire administration.

Initially it was envisaged that the questionnaire will cover at least a sample size of 10% of the enumerated informal cottage industries at Gikomba. However, it was realised as the questionnaire administration continued that very closely similar responses were obtained from industries of the same type: e.g. P, Q, R .... who were all motor vehicle mechanics depicted very closely related problems while S, T, U ...., who were carpenters depicted also great similarities.

It was then decided at this point that the industrial activity types would be enumerated. 12 types of industries were identified, and a sample of 5 interviews conducted for each type. This represented 5% of most activities.

In order to sample out the 5 establishments to be interviewed in each case, the study area was zoned into 12 sectors (see map No. 3) and at least 5 interviewees carried out in each sector. The choice of establishment to be interviewed within the zoned areas was a random basis.

It was however found out at the questionnaire data analysis time that only 47 interviews could be adopted as having reasonable
information. Hence, the 47 were adopted as the sample size for the study and these formed 4% of all the enumerated informal industries. It is however observed that in some industries, the occurrence of activities was much higher than other types, hence the sample was not quite homogeneous.

d. Activity enumeration

In order to assess the extent and magnitude of the other activities other than the cottage industries, a total study area commercial activities enumeration was carried out. Estimates of workers per unit was done so as to give an indication of the population involved in the Gikomba informal sector.

The spatial average by the various activities was also assessed and on average, the collective overall spatial needs estimated. This was to give an indication of the development density of the area compared to other formally planned areas in Nairobi.

For this study, the enumeration of residential activities was not done. Therefore, the available NCC residential estate figures of 1979 from statistical reports were assumed to be indicative of the present population density in the residential activities.
Specialised interviews

In order to obtain information on related activities but not situated at Gikomba neighbourhoods, a number of special interviews were conducted on various organizations and establishments. Interviews were conducted at Jisaidie Cottage Industries, The Undugu Society Informal Sector Department, The NCC Departments of Urban Planning, Water and Sewerage, Public Health. Business Licencing and the Kenya Government's departments of Physical Planning, Industrial Promotion and Research Centre and the department of cottage industries in the Ministry of Culture and Social Services, inter alia. In each case, some degree of valuable information was obtained, which on the final analysis increased the understanding of the informal sector industries at Gikomba.

Limitations observed in the special interviews were in relation to availability of information. In Maridadi Fabrics for example, for reasons related to the administration structure of the institution, it was not possible to get clearance for conducting interviews. In some other institutions also, it was not possible to find reasonable response as there were no officers interested with the informal sector per se.
FOOTNOTES


8. Muench, L. Ibid.

10. ILO: World Development Programme
   Quoted Sinclair, W.S. 1976.
   Op cit, page 84.

11. Frank Child: IDS, Occasional Paper No.25,

    on Employment, 1973, page 44.

13. Ibid.

14. Killick, Tonny: The Informal Sector and
    Development Strategy in Kenya.


17. Tobin (1973): Quoted by Child, F.


    Government Printer, Nairobi,
20. Ibid.

21. Guy Hunter: *Manpower, Employment and Education in the Rural Economy of Tanzania* in *Socialism in Tanzania Vol. II.*

2.1.0 Evolution of the Informal Sector in Nairobi.

2.1.1 Introduction

Kenya's political system has undergone three distinct eras. These include the pre-colonial, the colonial and the post-colonial or the post-independence eras. In each of the eras, human activities and settlement patterns have been greatly influenced by the form of government in power. In this section of the study the intention is to try and relate the political state and the possibility of its contribution to the evolution of informal sector activities, more so as it happened in Nairobi.

2.1.2 The Pre-colonial era (before 1890)

During this period, one cannot distinctly differentiate between the informal and the formal sector activities. Life was all centred on subsistence activities, mainly of agricultural nature. In the various tribes, particular age groups and sexes performed specific roles in society to answer to these subsistence needs.
It is also noticed that money did not form a medium of exchange in these African societies. In case of any economic activities, they were of barter type and in most cases they occurred within people of the same tribe. This was due to the hostilities which existed amongst a number of the different ethnic groups.²²

During this era also, there was no pressure on land due to population demand. Whenever people conglomerated to form a settlement, it was mainly for security or social reasons, rather than for economic purposes. Infact no form of settlement existed in Kenya except for the coastal towns set up by the Arabs and Portuguese in the 16th century to enhance their trade. The African in the interior had nothing to contribute to this trade.

Within the African tribes however, there existed traditional craftsmen, who made hand implements which were exchanged for say food or animals to those who needed them. The Kikuyu tribe had the "muturi" and the Gusii "omoturi", the Luhya "mutuyi" and the Wakamba "atui". These were all names referring to the traditional iron craftsman.

There also existed basket craftsmen in
western Kenya and mat weavers and pottery craftsmen in Nyanza. The Wakamba wood carvers and drum makers were also seen in close proximity to what is now Nairobi. This is perhaps as far as the technical crafts go; and this is seen in the later findings at the Gikomba study area that these tribes have dominated in these mentioned trades.

The traditional society then does not contribute to any significant development of informal sector, especially the technical trades.

In Nairobi particularly, no trade of the activities is found as no form of settlement existed there until around the year 1899, when it was first established as a railway encampment, growing to an African Metropolis of over 800,000 people by the year 1979. In the neighbouring northern fringes, the Kikuyu people practiced a system of mixed farming, combining herding of cattle and goats with subsistence crop farming. The Wakamba also practiced subsistence mixed farming in the eastern fringes while the Maasai herded cattle in a more less nomadic way in the southern Ngong and Kapiti
plains, with Nairobi and Ngong rivers as their watering points.

It was not until Sir Charles Elliot, the commissioner in charge of East Africa Protectorate and his administrative assessors appropriated the most fertile land for European settlement, leaving the indigenous population in the marginal fringes of the fertile lands, and without any legal status over the land they occupied, that the natives started wandering around looking for employment in the European farms as servants or homeguards that one can start tracing the need for informal sector trade among them. This is seen to be the early traces of informal sector activities in Nairobi.

2.2.0 The Colonial Era (1890-1962)

2.2.1 Political Issues

Within this period of history, the main political issues seen to have influenced people to move into the informal sector activities are:- racial discrimination, land alienation, forced labour, establishment of central places and the imposition of various taxes in the Africans.

Racial discrimination is an issue observed to have taken off immediately the alien groups arrived in black Africa. In Kenya, this is
seen in the various stages, starting from the slave trade times to the independence days. The racial superiority felt by the alien races over the African led him to be treated as an underdog for odd jobs. This was further observed to be carried on to the economic levels whereby the African got only what was seen as the lowest in consideration.

Land alienation was started immediately the Europeans arrived. All the productive areas were occupied by aliens, leaving the natives in what was seen as marginal lands and in congested conditions. The resulting effects are obvious, including lack of sufficient food, and the deprivation of social status the African got through land ownership and displacement from ancestral lands. In such a state, the Africans were left to wander around looking for employment in the European farms or start odd businesses and hawking in the settlements which were emerging in the concentrated land reserves where they were concentrated.

Forced labour was a way the European got the Africans to work on their farms or industries at very low wages. This being a form of slavery did not appeal to the natives. Whenever they had a chance, they would escape and conduct any form of subsistence activities they could lay hands on. It is through such labour the economy of colonial
Kenya was found to be highly favourable for the aliens while the natives continued to grow poorer.

The establishment of central places and large scale farms in Kenya is found to have been a major push towards agglomerated settlements. In the central places, Africans were restricted from entry unless employed. When employed, they yet had another restriction not to live there with their families. This necessarily implied that the employees' families had to get some place to stay in the fringes of the urban areas or remain in the rural area.

In the large scale farms, the Africans were paid wages far below their dignity and lived in low level shelters. This called for some other subsistence ways, in most cases leading to informal sector activities such as hawking.

The colonial government also imposed a number of taxes on the natives during this political period. With no cash crop or any worthy monetary activities in the rural areas; the natives had to get to some trade or sale of services in order to earn money to pay the taxes. This is also seen to have triggered substantial informal business within the Africans.
It is generally observed then that the political environment in the colonial era contributed to a large extent to the involvement of Africans in informal sector. This is particularly observed in areas surrounding European large scale farms such as Nairobi and Kiambu.

2.2.2 The Economic Issues

It is difficult to differentiate economic and political issues during this era. The following issues were however considered as of crucial economic contribution to the evolution of the informal sector activities in Nairobi: These include:- wage levels in employment, commercial and industrial development policies and land tenure systems.

Thornton White in his brief for planning for African housing in the colonial master plan for Nairobi gives the following figures for wages and employment in Nairobi in 1944:
Table 1: Wage employment figures in Nairobi 1944.

<table>
<thead>
<tr>
<th>Monthly wage (shs.)</th>
<th>Number of African employees per category</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/- to 10/-</td>
<td>1,786</td>
</tr>
<tr>
<td>11/- to 20/-</td>
<td>15,661</td>
</tr>
<tr>
<td>21/- to 40/-</td>
<td>9,069</td>
</tr>
<tr>
<td>41/- to 80/-</td>
<td>1,727</td>
</tr>
<tr>
<td>81/- to 120/-</td>
<td>189</td>
</tr>
<tr>
<td>121/- to 200/-</td>
<td>64</td>
</tr>
<tr>
<td>201/- upwards</td>
<td>7</td>
</tr>
</tbody>
</table>


The figures give an indication that the majority of the employed natives had to look for alternative employment to support their families. The Nairobi urban workers therefore adopted a double working schedule; working for the 'master' during day time and operate their informal businesses or say make handcrafts for meagre sales to supplement their living. Traditional liquor trade is seen to have become a major underworld informal business.
The type of manpower also posed a problem in Nairobi's employment structure. Africans had not had any technical or formal training, they were therefore only suited for jobs requiring no skills. This is especially seen in the importation of Asian craftsmen to build the railways. In the odd jobs, the African felt neglected and some opted to operate small businesses or even do subsistence farming than to be employed in the European establishments.

The racial policies mentioned earlier did not allow Africans to engage in commercial activities. In agriculture, it was not until 1950s that Africans were allowed to plant cash crops while in urban plans; no facilities for commerce were planned for blacks. Their alternatives were therefore obviously oriented towards informal sector activities.

The issue of land is seen to be the thorniest issue during the colonization of Africa. In Kenya, the Kikuyus living around Nairobi and central Kenya in particular were the bitterest. With most of their land set aside for whites, they developed a squatter type of life. This was economically disturbing. They are therefore seen to have developed a temporary type of life, with settlements suited for demolition and movement when
called to do so. This is found to have triggered large groups into informal activities in the central places. Nairobi got the lion's share of these activities, with the concentration being in the Native Reserves of Pumwani and Kawangware.

In summary then, it is found that a number of economic facets intermingled with political issues have thus far been the impetus behind the invasion of parts of Nairobi by informal sector activities.

2.2.3 Social issues

The colonial era social structure as seen in the other sections on political and economic issues is centred on racial lines. The Africans who were the majority in population are however seen to be a minority in all other aspects. In Nairobi, it is noted that despite the flourishing economy of the country, African families continued to experience a life beset with poverty and low living conditions.

In housing, the Africans were tossed from area to area, each location appearing either too good for them or too dangerous to the whites community. Pangani African village was demolished in 1928 to give room for Asian immigrant settlements.
The natives were moved to Pumwani and others whose case was felt did not deserve urban habitation were banned from the urban areas. Some of these people moved to rural areas or settled in shanty villages in various places in Nairobi and operated illegal informal trade or activities.

With such a transitory way of life for people who preferred to own rather than rent land, the African's social status is seen to have been drastically demoralised. Thornton White observed that "while the African formed the largest element in Nairobi, he was also the most transitory. In the street picture, he was less in evidence than one would expect because the native towns were separate and many Africans were in domestic employment."

The African population was steadily rising with improved health conditions. The new inhabitants could not be easily accommodated in their parents single rooms in Nairobi. An emergent uncared for populace is seen to have developed in Nairobi. These groups built their own shanty housing and set up their own economic activities whence they could earn a living. The informal activities received a large group of participants from these group, most of them being youths.
The other factor seen to have contributed to the urban informal activities is the issue of rural to urban migration. This could have been for economic reasons but there was a significant social input to it. Some of these people moved to central places to have a feel of urban life. Such persons found it less prestigious to return to the rural areas when they could not get a formal job or a place to continue staying. They could then settle in some point in the Africa reserves and set up some informal activities.

It is thus observed that on social grounds, informal sector activities developed in Nairobi, the major urban area, at exponential rates despite official discouragement.

The colonial era set up is therefore seen to be the base upon which the urban informal sector in Kenya is hinged on. This is observed to have happened through the political, economic and social set ups highlighted, ranging from racial discrimination, forced labour, taxation, population increase, land alienation and the development policies adopted. Further examination of the activities evolution is seen in the next era.
2.3.0 The Post-Independence Era (After 1963)

2.3.1 Political Issues

After Kenya attained independence, the Africans took over political leadership of the country. They also wished to take over economic and social leadership. The economic domination by Europeans and Asians which had been reigning since the beginning of the century had done no good to the natives. Consequently, the Republican government committed itself to the policy of Kenyanizations in which government employment, commerce and industry, and ultimately the economy would be in the hands of Kenya citizens. A number of regulations and laws were therefore passed to regulate the operation of businesses and other activities by aliens. The enactment of the above regulations made a number of Asians close down their businesses and leave the country in 1968. Africans bought most of the properties left behind by the non-citizens in the former European and Asian residential areas.

With such positive policies, one would think that the squatters, slum dwellers and informal sector operators would have also benefitted, thus eliminating these phenomena. On the contrary however, while the colonial racial segregation had
disappeared, segregation by economic status and African classism took over the situation.

Only a few Africans had the financial ability to settle in the high income areas and operate the high level industrial premises. The bulk of the African with no financial or technical skills and no proper guidance as to how they could attain these, remained in their original state. Their only improvement was that they now were free to set up their unplanned informal activities more whole heartedly.

The study survey at Gikomba reveals that the highest influx of informal activity operators to Gikomba actually occurred in the 1970s. This is an indication of ineffective policies since most of these people should have been absorbed in more organised business with the large gap left by the Asian traders in 1968.

The urban development policy adopted in Kenya is another factor contributing to the evolution of informal sector activities in Nairobi. With Nairobi standing out primately with the nearest centre many steps behind, all government ministry headquarters and major firms were located there. People from all parts of the country therefore developed a high migration affinity for
Nairobi, in search of employment.

The new immigrants into the city who arrived in large numbers after independence would spend sometime living with relatives and if employment was not available they joined the informal sector. Particular cases are the groups which invaded the Nairobi river belt, the low cost and slum dwelling areas of Mathare and the Jogoo road group. They built shelters and business stalls or worksheds in whichever area they saw economically fit. The rest appeared as hawkers in the CBD.

It is possible that such people could have settled after some time if given support but NCC officials continued to chase them from place to place quite intermittently thus they remained in the informal groups.

Landlessness which hit many people during colonial days as a result of the land alienation by Europeans was a matter of crucial concern during the post independence period. The government efforts to resettle these people through the Settlement Trust loans and others on free plots were not sufficient. In some cases, some of the urban dwellers offered land in rural environments could not get sufficient returns due to poor agricultural
methods, hence they sold or abandoned their rural allotements and returned to the urban informal activities.

It is also contented that the centralised development system favoured by the government in the post independence era did not fully benefit the people at the bottom of the ladder. While the government entrusted the role of small scale enterprises to organizations such as Industrial and Commercial Development Corporation (ICDC) and Kenya Industrial Estates (KIE), the agencies did not fully organise the lowly informal sector businesses so that they could benefit from these institutions. Hake (1973) in investigating what he calles the "Self Help City" in Nairobi came up with the conclusion that " the style of development in Kenya both before and to some extent after independence has been development from above, where the most important initiatives would come from the authorities. However, it is now recognised that development must occur from below and not from above. Small scale industry and petty businesses have to be the initiatives of the people affected and not by others in a different environment." 32

Hake therefore suggested that the informal sector in Nairobi could have been better
organised and operated if the people were given managerial leadership but left to organise the activities in their own way.

The preceeding therefore in summary implies that the informal sector in Nairobi continued to exist in the post independence Kenya because politically there has been little effective incentive to pull the people out of these activities. Infact there has been significant drive into it for if one might go by Barbara Ward's (1970) contention, "Without industries to employ them, what do the urban multitudes do. In part they enter the so called service sector, a dignified name for all the myriad hangers on and odd jobsmen who live on the rim of starvation." 33 They will indeed join all sorts of informal activities, as the case has been in Nairobi.

2.3.2 The Economic contribution

It has been seen in the colonial era that the Europeans in Kenya developed economic plans which basically favoured an alien society. This for example is depicted in the 1948 Colonial Master Plan for Nairobi, where commercial and industrial areas were demarcated for Europeans and Asians, in what was called European and Asian Bazaars and none for Africans.
Industries were also allocated for the two alien races, in disproportionate figures. Kamau gave the registration of companies among the ethnic groups between 1946-1963 as follows:

<table>
<thead>
<tr>
<th>Group</th>
<th>Number of businesses in %</th>
<th>Nominal capital (sh.m.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europeans</td>
<td>57</td>
<td>94</td>
</tr>
<tr>
<td>Asian</td>
<td>36</td>
<td>29</td>
</tr>
<tr>
<td>African</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>Others</td>
<td>4</td>
<td>15</td>
</tr>
</tbody>
</table>

Table 2:

It is therefore found that at independence in 1963, the African entrepreneur was at the bottom of the economic ladder.

On attainment of independence, the political political policies as mentioned earlier were centered on the "Kenyanization" and "Africanization" of all sectors. This is seen in the soft options offered to African industrialists and entrepreneurs who were ready to venture the commercial sectors.
A major drawback however is seen in the type of manpower prevalent whereby the Africans were seen to be very little trained to man industry and commerce. Asian entrepreneurs therefore continued to take leadership in this field with Africans as figure heads directors of the "Africanised" establishments. Soon these Africans were bought out and retired to their back lanes businesses. In Nairobi they are seen in Grogan road and Gikomba precincts.

It is therefore observed that the industrial and commercial policies adopted only acted as gimmicks and did not fully transfer the economy to the native entrepreneurs.

The education system as handed down from the colonial era did not also satisfy the economy of the young nation. With these studies emphasising on white collar type of life, it is seen that the labour office in Nairobi was soon filled by people not qualified to perform the type of work available. Technical sectors were left greatly unmanned while there was a huge unemployed population in the country. Table 3 shows the state at the labour office in 1971-1985.
NAIROBI LABOURFORCE AND EMPLOYMENT
1971-1985

<table>
<thead>
<tr>
<th></th>
<th>Potential Labourforce</th>
<th>Total Employed as % of Potential Labourforce.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971</td>
<td>283,818</td>
<td>70.79</td>
</tr>
<tr>
<td>1979</td>
<td>470,609</td>
<td>55.30</td>
</tr>
<tr>
<td>1985</td>
<td>654,949</td>
<td>49.25</td>
</tr>
</tbody>
</table>

Table 3:


With such a high figure of unemployed, a number of them took to informal sector training and employment. It is noticed later that in a bid to curb the group, technical schools, village polytechnics, Harambee colleges of technology and institutions such as the National Industrial Vocational Training Centres were set up in the early 1970s. This were meant to train school leavers for industrial work.
The intakes of these institutions did not however manage the unproportionally large number of school leavers. The rest are seen to have joined the informal sector in urban and rural areas.

The industrialization policies as set up so far have not been reflective of the type of the Kenyan economic environment. Here, there is need to mention the high standards adopted from the British, encouragement of sophisticated machinery by the donor countries, automation and lack of deconcentration of industry to problem areas. The effects have been: slow rate of production, low employment rates, continued use of expatriates and concentration of factors of production in some areas thus leading to a real over-population. This should be seen as the case especially in Nairobi, resulting to group joining the informal sectors.

The economic factors distribution inequality should be seen as another major drive to the continued existence of informal activities in many urban areas including Nairobi. This inequality is seen to have resulted to heavy rural to urban migration of persons. In Nairobi, with all major industries and government departments concentrated there, the inflow of migrants is observed to have
been much higher.

The colonial government cited the rate of urbanization in Kenya as one of the reasons which were contributing to the high number of persons in informal activities in Nairobi. The East Africa Royal Commission Report 1983-55 therefore suggested that these problems could be made simpler if the number of people who lived in the towns could be controlled. In independence Kenya, this was however not seen as possible. On economic grounds, such control is to be seen as restricting mobility and therefore likely to inhibit the development of the exchange economy. Hence there has to be flexible urban policies which can suffice the economic demands.

It is however found that lack of such urban growth control has had drastic effects on Nairobi. While accepting the fact that the growth of urban areas is a healthy exercise, such growth without proper plans to accommodate the large populations is observed to have been detrimental. The informal sector is partly seen then as the spontaneous phenomena which has come up to accommodate the superfluous population.

It is conclusively then observed that a number of economic factors have been responsible
for the continued existence of the urban informal sector, especially in Nairobi. This were seen to include the industrial development policies, urban growth policies and the education system adopted. The rising urban populations and the continued lack of proper guidance and training for the small businessmen is seen to have been further contributive factors.
2.4.0 THE CASE STUDY AREA

2.4.1 Location

Gikomba Belt Neighbourhood is an area of about 75 Hectares, located in the south East end of Nairobi's CBD. To the southern boundary lies the Nairobi industrial area, to the East and northern zones lie a number of middle and low income residential estates of Nairobi. The north-western boundary of the zone is the old CBD of Nairobi, currently forming a bulk of run down properties of mixed urban uses. Light engineering and related ancillary service shops and warehouses tend to dominate the area.

It is also notable that the Gikomba Belt partly comprises the colonial Native African residential areas of Nairobi-Pumwani, Shauri Moyo and Muthurwa Railway workers housing.

There is a dense low income population in the neighbourhoods of Gikomba, and a large number of activities which have warranted heavy mass transit systems through the area.

The polluted Nairobi river courseway forms a major physical feature which should be seen as a major reference point in discussing Gikomba area.
MAP NO 4  EARLY NAIROBI INDICATING GIKOMBA LOCATION (1900)
(after t.white)
MAP N° 5
GIKOMBA LOCATION IN NAIROBI
(after gkkingoriah)
The location is a reflection of what one would call the deteriorating neighbourhoods of any city. Gikomba is situated at the edge point of where Nairobi nucleated some 90 years ago. The River road, Kirinyaga road and Racecourse road which once formed the grand streets of Nairobi now form the low value business areas of which Gikomba forms part. The new CBD has moved further west to Moi Avenue, Kenyatta Avenue and the surrounding areas.

Despite the fact that Gikomba's location in Nairobi is seen more as a political phenomenon rather than an economic one, there is substantial evidence to show that there are a number of economic factors which have contributed to Gikomba's existence at the present location. Among the factors identified include:- low value of property in the zone due to location of low cost housing nearby, high population resulting to congested premises and inadequate infrastructure, thus making the area less attractive for fancy businesses.

2.4.2 Gikomba Location in a theoretical framework.

Gikomba's location in Nairobi was examined further in comparison with similar activity areas in other urban centres of the world. The issue was
to rationalise the location in Nairobi whether it is a mutation or a generally acceptable occurrence in any urban area. This examination was approached through an analysis of theoretical urban structure models brought forth by a number of major urban study scholars. The models considered included:— the concentric zone model after Burgess (1922), the radial sector model after Hoyt (1939) and the multiple nucleau model after Harris and Ullman (1945).

It is generally agreed by most of these urban studies scholars that the three models mentioned can explain the general landuse structure of most urban areas existing in the world. This is true to the extent that the assumptions made in the models are accepted, otherwise the other factors not mentioned in the models tend to explain the discrepancies. Among the variables omitted by these models include intervention by city planners, intercity differences in the composition of activities topographical irregularities, constraints imposed by irregularly developed networks, political intervention and so on.
The Concentric Zone Model
(Burgess 1922)

The concentric zone model has the CBD as the centre from which most of the urban areas begin their growth. It is the site of earliest nucleation. Within this zone, there is the greatest concentration of commercial enterprises, banks and financial establishments, business offices, retail outlets and similar activities. This zone has the highest accessibility from all parts of the city and there is great competition for all landuses to locate here in order to gain advantage of this accessibility. This results in high rise developments to get advantage of the high land value.

1. CBD
2. Zone of transition
3. Low income housing zone and small factories.
4. High class residential zone.
5. The commuter zone.

Fig. 1. The Concentric Zone Model of Urban Land Use Pattern. (After Burgess: 1922).
The next zone is the zone of transition, usually characterised by property in poor condition and rundown areas, being invaded by warehousing, wholesaling, light manufacturing and the like. Residents in this area live in tenements on upper storeys that once were fashionable apartments but now have been converted into cheap dwellings often in dilapidated conditions.

The third zone is the workers housing and factory whose location is determined by the convenience of the low income workers who wish to live within easy access of their jobs. High rise apartment blocks with cheap rents per unit dwelling but high overall rental return per acre of housing are the main developments in this zone.

The fourth zone is the high class residential zone in which one finds single family dwellings occupying individual sub-divisions. Eventually a commuters zone of residential suburbs and satellite commercial and shopping centres is reached in the rural urban fringe of zone five.

Burgess conceptualized also in the model that as the urban area grows, each inner zone will extend its area by invading the next outer zone. This process is dependent on the rate of the city's economic growth and its population expansion.
From the foregoing, one can try to relate Nairobi's urban structure with Burgess's Model. Despite a few discrepancies, mainly due to other factors such as physical, social and political, the landuses tend to follow quite closely with the described pattern. My observation is that Gikomba Belt Neighbourhoods falls in the zone of transition as illustrated by figure 4.

It should be realised that this comparison does not necessarily adopt Burgess's conception that the land use locations are purely dependent on economic variables. Kingoriah (1980) in his study of Nairobi came to the conclusion that, the land use patterns have been purely policy influenced and not necessarily economically determined. This is also seen in the earlier analysis of this study, whereby the land use location are seen to have been determined by the colonial government racial lines rather than by any economic considerations. Gikomba's location is hence found to agree with Burgess's Model but exists there through other factors viz: political, rather than economic as the model contention was.

The Radial Sector Model (H. Hoyt 1939)

Hoyt's Model of urban structure which mainly dwells on the residential structure and
land value also gives an indication of the existence of Gikomba and neighbourhoods in their present zone. This is true in as far as the model concerns itself with loss of value of property in the inner core of each zone. Those groups in each zone improving their level of living move to the outer suburbia zones. This way they leave their not so rich counterparts nearer to the CBD and to the work areas.

![Diagram of Radial Sector Model of Land Use Pattern](image)

1. CBD
2. High income low density residential.
3. Medium density residential.
4. Low income high density residential.
5. Manufacturing and warehousing zone.

Fig. 2. Radial Sector Model of Land Use Pattern. (After H. Hoyt 1939).

Parts of Gikomba, including the Kombo Munyiri road and Pumwani road zones have faced the phenomenon of property value degeneration. The original owners have moved to the outer zones of
the city while they have moved their businesses to the new centre of CBD. A case in point possibly is the once squatters at 'Machakos' Bus station moving to Shauri Moyo and later to Bahati (which was the high class estate for Africans in the 1950s). The same may have moved further to Kimathi and Buru buru areas as property purchasers, thus continuing the outward migration contended by the Model. However, due to other external factors not considered in the model, the situation analysed does not follow the description so easily. The radial sector model however, does not fail to explain the location of Gikomba as such.

The Multiple Nuclei Model
(Harris and Ullman 1945)

This model, conceptualised by Harris and Ullman is more less an elaboration of the first two models. In this model, modern cities are seen as having essentially cellular structures in which homogeneous types of land use tend to develop around certain specialised nuclei within an urban area encouraged by agglomeration economics. The tendency for uncomplementary activities to avoid close juxtaposition due to undesirable externalities and the tendency for similar activities to take advantage of infrastructure thereby benefiting from
identical infrastructural economies.\textsuperscript{38}

Gikomba is seen to be a repugnant area to the high cost residential areas of Nairobi in the western and northern zones but very agreeable with the nearby lowcost residential areas.

1. CBD
2. Wholesale and light manufacturing.
3. Low class residential.
4. Medium class residentials.
5. High class residentials.
6. Heavy manufacturing.
7. Outlying business district.
8. Residential suburbs.

Fig. 3. The Multi Nuclei Model of Urban Land Use. (After Harris and Ullman 1945).

In Hoyt's Model, Gikomba is seen to be a complementary bridge between the low cost residential areas of the Eastlands and the Nairobi's industrial area in the south. Gikomba is seen to be in that location primarily to make maximum use
FIG 4
GIKOMBA ON THEORETICAL MODELS
LEGEND
High Income low density.
Medium density
Low income high density.
Manufacturing.
CBD.
Zone of transition
Low income housing
High class residential
The commuter zone.
of the industrial infrastructure existing. This is also seen to be the case in as far as the economies of scale is concerned. Salvage is economically obtained from the industrial area for the small informal industries at Gikomba.

It is therefore observed in the theoretical models that the location of Gikomba informal activity zone in its present location could be possible in any urban area.

To exemplify, H.C. Norwood has analysed a case of similar activity area Ndirande in Blantyre, Malawi, and he came to the conclusion that Ndirande could not be better located than its present location. Attempts to replan it elsewhere in the city have been futile. Hence, Ndirande has been given official recognition and supplied with the necessary infrastructure.

The foregoing has tried to briefly analyse the location of Gikomba informal sector area in the Nairobi urban structure. The location is seen to be towards the decaying area of town, which however was in the pioneer developments of Nairobi. The study area then appears as one of the urban areas which require renewal. The appraisal of the cottage industries is intended to be featuring this with a bias towards renewal for small scale
enterprises, in this case cottage industries.

2.5.0 Evolution of Informal Sector Activities at Gikomba Belt Neighbourhoods.

As in the case of the evolution of the sector in Nairobi studied earlier, the subject study is treated at three levels at Gikomba. The levels are: evolution during the pre-colonial era, during the colonial era and the post-independence era. The present situation is also briefly examined. In each case, the analysis looks into political, economic and social factors as they are seen to have contributed to the existence of the activities at the study area.

2.5.1 The Pre-Colonial Era

It has been mentioned earlier that Nairobi urban centre emerged as a result of the establishment of the railway encampment in 1899. Prior to this period, Gikomba area was a swamp, acting as a grazing and watering point for Maasai herds of cattle. Perhaps the only informal activity one could attribute to the area by then was cattle grazing, which however does not give any relationship with the present industrial activities existing there. It is therefore seen that the evolution of informal sector activities at Gikomba area of
Nairobi is a later phenomenon.

2.5.2 The Colonial Era (1890-1962)

**Political Factors**

During the colonial era, Gikomba Belt Neighbourhoods was synonymous with Native African Reserve. On racial grounds, the European planners divided Nairobi areas into European, Asian and African zones. There were also divisions indicating commercial and industrial zones at racial levels.

While Gikomba area in this case was regarded at a general light industries and factories area, it had a colour boundary indicating it as a natives zone of operation.

The natives are therefore found to have been allocated a miniature area of operation, less than 5% of the 1948 Nairobi urban area. This area was to accommodate residential commercial and recreation area for the natives. It is clearly seen that there was a serious pressure on land within these neighbourhoods.

It is also noticed that the natives at these African reserves had no right to land. They therefore developed a squatter type of environment. The way of living at Gikomba neighbourhood is
therefore seen to be developing in an informal way. Any kind of business thought of by the natives was non registered, illegal and unfinanced and only meant to be operational to fellow Africans. Hence, with no money, and title to land; Gikomba area could only manage to develop some ad hoc miniture businesses, in temporary or open air premises. Such tradition is observed to have been a prerequisite to the current informal activity environment.

The factors which then stand out as being of considerable contribution to the informal activity evolution are:- racial barriers to economic factors and lack of freedom by the African to have his business registered and operated anywhere in the city.

2.5.3 Economic Situation

During the colonial era, it is difficult to single out clearly which were political or economic factors. The intermingled state is a result of the political environment interfering with the economic environment.

The low wages paid to the African were reviewed earlier and found to be far below adequacy to support a family in Nairobi.
Gikomba neighbourhood (the natives' area) had therefore to develop businesses and industries which could suffice the needs of this poor market. Tiny shops which only sold the very basic requirements of the area such as salt, paraffin, matches, cigarettes etc. emerged. Infact even such low level businesses were run by Asian traders, hence the African could only run road side and mobile hawking units.

The population of Pumwani (Maberani) African Reserve continued to rise without parallel on the jobs availability. The new city comers had to get an occupation, lest they will be found in the streets and be arrested for vagrancy. Some of these people set up small cottage crafts industries such as tailoring, shoe repairs and illegal brewing. Hawking which greatly increased during this era had its origins in the Gikomba neighbourhoods.

The railway workers at Muthurwa needed implements, clothes and their daily provisions. The shops along Pumwani road emerged to perform this role. Infact Asian traders found this population to be a good market for second hand clothes from Europe and Asian hence, open air second hand trade was established in the area.
This market is seen to have spread into other central places in the country. The second hand clothes trade is therefore to many referred to as "Gikomba clothes".

Nairobi during the colonial rule had limited entrance to the Africans. Travellers from Machakos and any other areas to the East would only move as far as the present Machakos Bus station. Any products from the country side were therefore sold at this area either to the Africans or Asians who will then sell them to the other Asian or European communities in the other parts of Nairobi. Gikomba area is therefore seen to have developed a strong tradition in all aspects of open air trading markets and hawking.

In 1952, the NCC built a barbed wire fenced and iron sheets roofed market for the Africans at Gikomba. This was intended to reduce the open air activities in the area. It is however reckoned that the capacity of this market was too small to be of much meaning to the large group of hawkers in the area. The activities therefore continued to spread along the streets and alleys in the area.

It is therefore observed that the
evolution of informal trade in Gikomba areas during the colonial period had many economic influencing factors. Transport routes from upcountry had their terminus there, bringing goods for sale at the area. There also existed a huge demand population with low purchasing power created by African residential in the area. A third factor is the land and business restrictions imposed by the authorities thus making all African entrepreneurs in the area illegal traders. Informal cottage industries are also found to have come up as a means of providing low cost goods required by the masses living in this area.

The colonial era is then economically seen to be the spring board upon which the current informal sector activities at Gikomba are based.

2.5.4 The Social Influence

The colonial era saw many changes to the African population in Nairobi. For people who had prior on lived as masters to themselves; subordination as house servants; porters and such kind of chores left them socially demoralised. What is however seen to have contributed greatly in this social set up to involvement in informal activities at Gikomba is the issue of poor wages in forced labour. For those who could not stand the working conditions
in employment, they resorted to hawking and operation of roadside illegal businesses. Yet there are many others who joined the informal businesses at Gikomba because they could not get such employment.

Perhaps another issue which should be considered as a major social drive into the Gikomba informal business is the general African living conditions. In the official humble dwellings of Majengo or Pumwani Native reserve, families shared mud walled rooms. In the streets, the African was seen as a criminal, while at his place of work, insubordination and colourbar was the order of the day. Such conditions implied a need for the area's residents to search for other ways of living.

On the other hand, there were natives in this area who were talented artists, or craftsmen. A case in mind is that of the Wakamba for example. Such people found it inevitable that they could live in an environment full of restrictions with their artistry dormant. They therefore set up small household craft industries around Gikomba. These later developed to be the existing carvings and craft workshops.

It is therefore seen that Gikomba Belt
developed an illegal industrial cum business environment with carton and polythene shanty shelters set up around the Kaburini area, providing shelter and business area for new immigrants. A tradition is seen to have been established by a people striving for survival and the same is depicted to the present day.

Socially then, the study establishes a number of factors which are found to have influenced the evolution of the informal activities at Gikomba. Among those cited include: rebellion from forced labour, poor living conditions at the African reserve and increasing population at the area which was kept constantly unexpanded. There is therefore a tangible contribution from the socio-economic factors existing at the area to the evolution of the informal sector activities.

2.6.0 The Post-Colonial Era. (Apter 1963)

2.6.1 Political Factors

Independence in Kenya in 1963 meant freedom for all races. This the urban natives received with jubilation. For the European and the Asian, it however meant sharing of the economic and social status. The Africans took political leadership with the first task being acquisition of
economic freedom for the oppressed Africans.

In Nairobi, this is seen to have been the case in as far as business and land registration was concerned. In Gikomba Belt, many of the people living in the area moved out to run the businesses in the other parts of the city. This was the case also as regards residential occupation.

Gikomba did not however remain empty. Immigrants from the rural areas in search of jobs in Nairobi settled in the area, adding to the remnant population which economically could not move out.

The 'Kenyanization' policy advocated by the government was seen to have helped few out of this area. Infact with the low skills the Africans had in business, it is seen that they shortly sold out most of the businesses they had acquired at independence to the Asians traders thus humbly returning to their original settlement at Gikomba and neighbourhoods.

To the other groups seen in Gikomba, independence only meant freedom to continue with their already set up informal businesses. They lacked guidance as to how to approach the institutions set up to finance and improve their
type of enterprises. Such institutions such as the Industrial and Commercial Development Corporation (ICDC), Kenya Industrial Estates and other finance houses also did not have any department undertaking the task of organising the informal sector so that they could make use of the facilities. It is therefore observed that the informal sector at Gikomba continued to grow at an even faster rate after independence.

On the political context, it is therefore observed that the type of policy developed for the small scale business promotion, slum clearance, small scale industry promotion and urban planning had a bias for a small group, mainly those who know what was happening otherwise the illiterate masses in areas such as Gikomba were left behind unaided. It is my contention that the policies were designed with most of the power concentrated at the top with little at the bottom. This way it was difficult to get to know exactly what happened at lowlevels such as the informal sector areas so that their businesses could be promoted. A decade went by before the ILO report of 1972 which brought to the government's notice of the potential contained in the informal sector.

It must however be mentioned that the
political factors as they affected the informal sector at Gikomba is a general treatment for most urban areas of Kenya and hence cannot stand out in isolation for this area alone.

In summary then, it is seen that the policy formulation process for the small scale enterprises during this period is what stands out as a major political contribution to the informal sector state at Gikomba.

2.6.2 The Economic Situation

Gikomba neighbourhoods continued to remain low income residential areas even after independence. The originally developed Muthurwa, Shauri Moyo, Bondeni Pumwani and the other neighbouring estates constituted a large population which had to be catered for in terms of provisions and employment opportunities. This group therefore maintained the Gikomba informal sector activities during the years after independence.

The Nairobi hinterland also developed greatly after independence. Africans who were allocated land which was originally owned by foreigners developed large horticultural farms. This produce had to be marketed in the urban centres. The Nairobi City Council (NCC) developed a number of retail markets to cater for this
businesses. Most of these markets which were located in the Eastlands area including four in the study area did however not suffice the needs of the applicants. There was far much more space required than the local authorities could provide.

In 1977, the old Gikomba market was demolished to give room for light industries at the Chiriku area of Gikomba. The original stall owners had to be accommodated in the Quarry Road Market which was built for the purpose. However, the space was still too limited to accommodate the large number of vendors.

It is seen then that informal open air foods vendering kiosks developed in the air to supplement the formal stalls and also to take advantage of the light industries facilities planned in the area. Other ad hoc informal industries developed along the Nairobi river in the area.

The rising cost of living continued to hit the low income population living in Nairobi. For the wage earners, their continued increase of dependants from the rural areas increased the pressure further. A number of them set up family kiosks or stalls where some members of the family could operate some form of business as a supplementary source of income. Gikomba is
therefore observed to have continued to increase in size.

The location of the Nairobi industrial area in relation to Gikomba continued to be a major influence to the cottage industries even in the post-independence era. As a source of raw materials mainly in the form of salvage, the cottage industries at the study area found the location very economical.

The expansion of the Machakos County Bus station and the increase of mass transit routes through Gikomba area has greatly influenced the establishment of the informal activities at Gikomba.

It is also notable that the availability of open land at the study area has been a contributive influence to the establishment of these informal activities. While there is no specific land allocated for the activities in the area, it was found that the informal sector activities thrives in any land left undeveloped close to an area where other economic conditions favour the businesses. The Nairobi river reserve and a number of adjoining NCC and Government Trust land have provided the required land for the Gikomba informal businesses.
It is then seen that on economic grounds, there were a number of factors which have contributed to the continued existence of informal sector activities at Gikomba even after independence. This include, lack of adequate space for informal markets, favourable infrastructure at the area and existence of a large demand market for goods without sufficient purchasing power. The existence of unoccupied land within a favourable economic environment is also seen as another positive factor to the informal sector development.

2.6.3 The Social Contribution

The post-independence social structure of Gikomba is a complex phenomenon. To what degree would this have affected the Gikomba informal sector growth? A number of participants appear to have been clad in the colonial veil to such a level that even after independence, they did not bother to look for ways and means of improving their businesses or even shifting to other businesses. This is seen to be true because among some of the interviewees at Gikomba, there are some who have been tinsmiths for over forty years but have not improved their workshops.

It is also notable that in the post-independence era, many Nairobi residents even those
in the high income brackets have developed strong ties with the informal sector as a shopping area. They have hence promoted business within the sector thus leading to continued existence of these activities in areas such as Gikomba. Some workshops in the area are agents for fancy shops in the CBD. This recognition of what seemed to be industries meant for the low class is seen to have had a big driving force for the participants to continue with their type of businesses.

The population structure in the low income neighbourhoods surrounding Gikomba shows high dependence ratios. In the study area this was approximated to be over two to one. This necessarily means that the family bread winner will have to work more than double to maintain the family. A number of businesses in Gikomba were seen to have evolved as a means of support for the extra dependent members of the families.

It is therefore seen in summary that besides the political and economic contributions to the evolution of the informal sector activities in Gikomba, there are a number of indirect social factors which have influenced the continued existence and growth of the activities during the post independence period. Those cited as predominant
include:- change of attitudes in the consumers, thus increasing their demand for informal sector goods, high dependence rates requiring other sources of income in the households and general apathy by the operators to what is happening outside their fields, hence their persistence in their informal activities.

2.7.0 The Present Structure at Gikomba

The present expanded Gikomba informal activity belt has been in operation with greater vigour after about 1970. While it has been established previously that the informal activity tradition has been in operation in the area since the beginning of the century, it was not until the demolition of Kaburini and Grogan-Nairobi river shanties in 1973 that the activities spread out at Gikomba at an alarming rate.

The traders who originally occupied the demolished areas set up their operations in all suitable parts of the open areas. This occurred along the river, spreading to the Kamkunji open ground, Ladhies road and Shauri Moyo estate and market zone. The resulting effect is an active environment composed of thousands of economic and social activities spread out in all open and commercial premises within the zone. The existing
state is herebelow examined briefly on political, economic and social levels as is done previously for the other eras.

2.7.1 Political Structure

The political environment in Kenya is capitalistic, thus democratically allowing for the existence of public and private enterprises to co-exist. Individuals may set up their own businesses in any part of the city as long as the activities they intend to deal with conform with other land uses in the area. This is true as far as the entrepreneur is interested in seeking official permission through business licencing to set up the establishment. Such freedom is seen to be over stretched to the other extreme end in Gikomba.

In this area, the operators have set up practically all types of businesses with over 70% of the enterprises unlicenced. The issue of co-habiting businesses does not therefore form a criteria in the business establishment at Gikomba.

The 1948 Nairobi Colonial Master Plan demarcated Gikomba zone as an area for light industries accessible to Africans but the plots were allocated to Asian traders. Independence
saw the plots changing hands to a few Africans who later sold or rented the premises back to Asian industrialists. This is depicted in the Kombo Munyiri road.

Later Nairobi urban plans have left over 50 per cent of Gikomba zone as empty NCC land or Government Trust land. There has therefore been no attempt to locate the land to the small entrepreneurs who have however allocated themselves parcels to conduct their businesses.

It is also observed that the NCC has not allocated any of these land to the squatting informal businesses some of which may have operated in the area for over thirty years. The city policy instead has intensified the eviction and barred the issuing of licences to these informal businesses.

A study of the informal sector operators' origins indicated that there are businessmen from most areas of Nairobi, others from the neighbouring districts such as Machakos, Kiambu and Murang'a. There are also operators from Nyanza, Western Kenya and other parts of Central Province. Foreigners were also identified from Tanzania, Uganda and Europe. The Europeans are members of the Undugu Society which has set up offices and workshops along Jogoo road. Gikomba informal sector is
therefore a composition of all spectrum of participants.

It was therefore seen that the prevailing political policy on freedom of movement had an impact on the present Gikomba informal sector activities. Lack of special allocated space for such commercial activities was also found to be one reason why the informal sector operators have generally taken to any open land within favourable conditions.

2.7.2 The Economic Structure

The existing economic structure at Gikomba is very intricate. There are various sizes of enterprises and activities. These were all seen to be interlinked to each other to such a level that they were more less dependent on each other. This was particularly observed in the industrial sector where a wide division of business is seen.

The business sector can be categorised into a number of sectors with each depicting maximum participation in the overall economic activities of the area. For further examination the sectors were identified as follows: the residential activities sector, the textiles sales sector, the foods sales sector, the cottage
industries sector and general household and hardware retail shops.

One of the concerns of this study was to find out some of the economic reasons why these activities are located in the study area against all odds. A number of responses were received from the participants and some from observation. These included:

(i) There is a perfect mix of commodities for purchase and sale in the area. One needs only to move a few stalls to get either a raw material or a semi processed item.

(ii) Gikomba is generally tax free. The participants evade the taxes in their activities as their businesses are usually unregistered.

(iii) Communication by public transport and handcarts is adequate. The operators can therefore transport their goods from all directions to Gikomba with ease. This included the close proximity to the country bus station for upcountry goods hauling.
(iv) The Wakulima wholesale market, where the food vendors purchase their goods is located nearby.

(v) NCC market stalls elsewhere in Nairobi are in short supply therefore, the would be occupiers find the informal stalls at Gikomba an economical alternative.

(vi) There is a general tendency for customers to visit Gikomba despite the fact that there could be an alternative shopping area closer to their residences. This is as a result of a developed mentality that Gikomba would be cheaper.

(vii) The small scale industrialists feel that Gikomba's proximity to the CBD and the Nairobi industrial area is of great advantage for the purchase of raw materials. They therefore find the area perfectly suited for their activities.

(viii) Gikomba also forms a shopping thoroughfare through which pedestrians from the main industrial area and the CBD traverse as they
move to their residential areas in the eastern suburbs, hence an ideal place.

All the points tended to favour the study area as a suitable location for the informal activities currently being undertaken there. Gikomba has therefore continued to grow with a strong business mix community, intricately woven between many economic activities.

It was then seen that basically all activities in general day to day life operations were identified present. The study analysis of the area however showed that cottage industries and the related ancillary activities occupy at least 70 per cent of the economic life in Gikomba. The activities distribution is spatially seen on map number 3 while the landuses are analysed on table number 4.

The industrial activities were assessed to be the most well organised in terms of production methods, quality of products and spatial location. These are also the establishments engaged in real production of goods and services in the study area. They are generally composed of small units, operating in some form of workshop either covered or open air. An industry to industry study is later presented.
From the foregoing, it is therefore seen that Gikomba is economically an intricate area with business suited for low income groups. The businesses have low initial capital requirements and low spatial needs per production unit. The activity location also has a number of positive factors tending to favour Gikomba as a suitable place - for their establishment and further appraisal.

2.7.3 The Social Structure

The social environment of Gikomba is intricately woven with the economic structure of the area. The study attempts a qualitative observation on age structure and activities, sex and the type of activities and the general sociological interactions within the community level.

Gikomba is composed of all sorts of age groups. The youths are seen operating in either shared stalls in the foods stalls or selling packing polythene paper bags. They can also be seen acting as attendants in pushing handcarts "Mkokoteni".

The Mkokoteni drivers and other general porters are mainly teenage or middle aged males. Such were also seen to be the majority in the motor
vehicle repairs industry.

Sex differentiation in activity types is also depicted at the study area. Basket weaving spinning and knitting were seen to be done basically by women. Food vending is dominated by women while second hand clothes and hardware sales are dominated by men. The industrial operations were mainly seen to be operated by men. There were however, cases of women proprietors in the industrial businesses.

Concerning the general market physical outlook, it was seen that the general goods display and prices are nearly uniform except for the industrial sector where prices vary substantially. Social interaction within the group is cordial with the entire group providing mutual security for each other. Common enemies such as NCC officials or pickpockets are handled by the community with unity of alertness.

It is however seen that the informal sector activities operator in Gikomba, as in other areas of Nairobi suffers from lack of respect on the grounds that they run businesses not registered and therefore not safe. They are in most cases squatters and therefore with no social security in their businesses. The operators therefore conduct
their activities in fear of eviction at any moment and hence never quite improve their business premises or the activities as such. Any tangible improvement could attract the planning officials or the income tax officer.

It is then seen that the Gikomba business community while economically observed as prosperous, they lack significant social support and recognition in order to experience a real and satisfying economic environment.

2.8.0 Land Ownership and Tenure

The land ownership at Gikomba Belt Neighbourhood was to be of three types, viz: Government registered land about 10%, NCC land about 70% and land in private ownership 20%.41

The NCC land was mainly occupied by residential activities, public utilities, schools and recreational areas. The Nairobi river valley mainly falls into this ownership level.

Private land is concentrated along the Kombo Munyiri, Kamkunji area, Pumwani road and along Jogoo road. In most cases, such land was found to be under occupation by either industrial premises or mixed commercial uses as seen in Kamkunji area.
The Government land which mainly lies along the river valley or in the Pumwani administration camp was mainly seen to be officially undeveloped and therefore infested by informal sector activities.

**Land Tenure**

Gikomba neighbourhood is an area of mixed land tenure conditions. On the one hand, it is within 1.2 km from the railway, therefore according to colonial planning regulations, such an area cannot have free hold titles. The land was sold at a lease of 99 years.

A funny type of tenure exists in Majengo (Pumwani) and parts of Shauri Moyo. The NCC has for example granted the Majengo dwellers ownership of the existing shanty structures but no ownership of the land. This was also seen to be the case at some of the houses of Shauri Moyo. Such conditions have inhibited the development of the area as the occupiers lack the authority to develop new structures if they so wished.

Conclusively then, one could say that the land ownership and tenure at Gikomba is a contributive factor to the existence of the informal sector at the area.
2.9.0 **Summary of Findings**

The historical analysis therefore attributes the emergence of informal sector activities at Gikomba to political, economic and social forces. In the political considerations, the racial policies practiced by the colonial administration are observed to have led Africans into tight living conditions at Gikomba precincts in Nairobi. This sparked off a spirit of subsistence activities as a substitute to the natives' income.

Economically many issues emerged as the major contributors to the informal sector emergence in Nairobi and Gikomba specifically. The low wages in employment paid to the Africans, high dependance levels and lack of tangible alternative economic activities for the natives are found to have greatly accelerated the activities at Gikomba.

It is also seen that the independent Kenya policies intended to elevate the small scale business operators to better entrepreneurial positions did not significantly organize the informal sector group for the sake of promotion.

Social factors seen as significant in this
informal sector development process include: poor accommodation conditions for the African families, large rural-urban migration trends leading to congestion in African reserves and lack of entrepreneurial capability among the Africans thus inhibiting them from developing their businesses to better levels. It was also noticed that for some groups, their persistence in operation of informal cottage industries had hereditary connotations.

On the existence of Gikomba in its present location, factors spanning from availability of open land, proximity to existing industrial infrastructure, and a large low income market on the demand side are significant factors.

In conclusion then, no single factor can be seen as the cause for the emergence and continued growth of the informal activities at Gikomba, but a whole ensemble of these.


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Quoted by Kingoriah, G.K.
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Quoted by Kingoriah,
Op cit, page 315.


41. Figures worked out from own measurement on the land ownership map No. 4.

CHAPTER III

3.1.0 THE CASE STUDY AREA: EXISTING SITUATION

3.1.1 Physical Analysis

The boundary lines selected for the study include:— Ladhies and Jogoo Roads to the south, Bondo Street and Lamu Road to the east, Quarry Road and Digo Road to the north, while Pumwani Ring Road completes the western boundary line.

The area forms a north-west to south-east belt with the Nairobi river bisecting it along the centre line into two strips of approximately 300 metre widths.

The land on either side of the Nairobi river slopes towards it, although the southern portions moreless forms a flattish mass which gets water logged during the rain seasons.

It was also observed that the portion along the river approximately ten metres on either side forms a polluted occasional river bed.

Major Existing Developments

Among the major developments found in the study area were: Shauri Moyo Housing Estate, Burma Market and Undugu Society workshops in the south; The Kenya Meat Commission Cold Stores and Muthurwa
Primary school along ladlies road. The Machakos country bus station, and Pumwani road market stand in the western zone, while the residential estates of Gorofani, Bondeni and Majengo (Pumwani) occupy the northern zones.

Developments along Kombo Munyiri road and Quarry road are small scale industrial premises. The Kaburini Graveyard also forms part of this area.

In the Chiriku road zone, a number of newly built industrial workshops were identified. The Quarry road market stands out as the most prominent development structure on site.

In most open spaces, numerous informal industrial and general commercial activities were identified. They were located in an uphazard manner and make the zone in an aerial picture appear awkward.

A sector by sector analysis of the situation at Gikomba would be envisaged in this section to give an indication of the state of development of the area as it existed during the survey.

It should however be mentioned at this point that the study would give emphasis to an examination of the informal industrial activities
with only brief mention of the other sectors. Only those sectors which it was felt influenced the industrial activities would get further analysis.

3.2.0 Infrastructure Survey

3.2.1 Transportation networks

Gikomba Belt Neighbourhood forms an island surrounded by a network of roads. It was mentioned earlier that among the factors contributing to the informal activities at Gikomba area is the abundance of public transportation lines. The northern boundary roads, Pumwani, Digo road and Quarry road are 25 metres secondary distributors, connecting a number of neighbourhoods to the Racecourse Primary distributor road. The Landhies-Jogoo road on the southern side forms a 35 m major primary distributor connecting the Nairobi city centre to most of the Eastlands residential neighbourhoods. Lamu and Bondo Streets on the eastern boundary are 18 metres local distributors linking the Jogoo road to the Digo road.

The northern roads, Pumwani and Digo roads offer bus and mini bus (matatu) connections to the eastern residential neighbourhoods of Dandora, Kariobangi, Mathare, Eastleigh, Jericho, Buru buru, Bahati and Uhuru. To the western and northern neighbourhoods; there are bus connections
to the city centre, Kenyatta National Hospital, Kibera, Riruta, Kawangware, Kilimani and the other enroute neighbourhoods. This was found to be the second busiest route in terms of public mass transportation mode.

The Jogoo and Landhies roads offer public transport to the eastern Nairobi, with buses and 'matatus' destined for: Embakasi, Jomo Kenyatta International Airport, Doonholm, Umoja, Kariobangi, Dandora, Buru buru, Jericho, Bahati, Makongeni, Makadara, Jerusalem and Uhuru. There are also buses through this road to Machakos District and Nairobi's industrial area, via Likoni road.

It was also observed that within these southern roads, Jogoo and Landhies, western destined travellers may get direct bus commuting to the city centre, Kibera, Riruta, Kangemi, Wangige, Lower Kabete, Upper Kabete, Kenyatta National Hospital and Westlands.

The area was generally found to have adequate transportation linkages to most low income residential areas, and therefore suitable for cheap commuting even with heavy loads. Such linkage was also seen to be adequate to upcountry stations as the Nairobi main Country Bus Terminus is located at the study area.
This satisfactory distribution of transport facilities implies a possible conclusion that Gikomba and the CBD are virtually one, a factor which seems to have been a major criteria for the activities located here, and may also affect the area's future in terms of property value increase and therefore demand for more intensive development.

3.2.2 Pedestrian Communication

Gikomba is located on major pedestrian link lines from the CBD to the Eastlands residential areas. There is also a major route for pedestrian movement connecting the Nairobi industrial area to these residential areas via Gikomba Belt Neighbourhood.

It was observed that generally a large number of pedestrians move through the area but have no defined routes. Collisions with vehicles and handcarts are common occurrences.

A long Pumwani and Landhies roads, the situation was observed to be very difficult as large numbers of pedestrians loaded with heavy cargo are seen trying to intermingle their way through heavy vehicular and push carts traffic.

On the other hand, the pedestrian transport was found to be the major cur...
a. Informal businesses tend to follow communication lines.

b. Bridge across Nairobi River, connects informal zones.
a. Typical mode of transportation in Gikomba, handcarts.

contributing to at least 70% of the buyers and vendors. It was therefore felt that this was inadequately catered for, and needs first priority in transportation planning for the area.

3.2.3 Telephone Communication

The survey revealed that only 5% of the informal activity operators interviewed had telephone connections within their business premises. Along Kombo Munyiri and Pumwani roads where the businesses are more or less formal, there were at least 85% telephone connections.

It was also observed that 50% of the informal businesses did not seriously need telephone connections within their premises but would like to have it in public booths within easy reach. This was seen as a priority consideration as the booths provided at the Gikomba Post Office and Pumwani chief's camp were constantly crowded. The three other public telephone booths at the BAT village Shauri Moyo, Shauri Moyo shopping centre and the Machakos Country Bus station were equally overcrowded. The business operators were therefore found to be under-provided with this facility.

The survey led to the conclusion that the informal activities area of Gikomba needs telephone connections through not as a first priority.
This could be installed as public booths at strategic node points, rather than as individual connections.

**Problems in the Sector**

The Kenya Posts and Telecommunications (KP&T) regulations which require that the enterprise have properly built premises before telephone connections are made was seen as a notable constraint in the telephone supply in the area.

It was also deduced that a number of establishments which had requested for telephone connections continued to remain in the waiting list as the KP&T does not have sufficient lines to the area. This was attributed to lack of funds and also due to lack of controlled development of the activities, thus causing difficulties in reticulation of the telephone lines.

3.3.0 **Utilities and Services Survey**

3.3.1 **Electricity**

Electricity is a major component in industrial development. While it was not considered as a vital service for all the cottage industries, in the informal sector at Gikomba, it was however found to enhance improvement in working methods,
leading to a reduction of production costs.

Out of the interviewed sample, only 17% had electricity within their business premises. 20% of the respondents felt that lack of electricity was a major constraint to their business development.

**Constraints to the Electricity Supplies**

The survey revealed that there were a number of impediments lying in the line before one could be supplied with electricity. These were listed as: lack of proper entitlement to the land, lack of worthy business operation structures, especially for the open air workshops, and lack of higher voltage (415 V) 3-phase power lines in the residential areas where only 240 V is normally supplied.

It was therefore seen that in order for the cottage industries at Gikomba to benefit from supply of electricity, they will have to be replanned to enhance proper supplies in the area.

**3.3.2 Water Supply**

The Gikomba area is poorly served by piped water. In the residential areas, water is provided by the Nairobi City Commission water
mains at communal points. At Shauri Moyo, one water point serves approximately 160 residential rooms, which are inhabited by families averaging 5 persons each. This led to an approximate population of 800 person per water point.

At Majengo residential area, this figure was seen to be higher as the occupancy density is higher.

It was observed that the informal activities have encroached into the residential areas and hence they share the water points provided for the area dwellers. This therefore greatly increased the number of persons using each of the water points, resulting to congestion and insanitary conditions.

The survey revealed that only 21% of the sample interviewees had water connection within their premises. All others had therefore to draw their water either from residential areas or from nearby restaurants. Some participants also obtained their water by sharing with some of the enterprises which have connections, at a price.

It was therefore concluded that water in Gikomba was a priority development utility currently in short supply and does affect the
the operation of the informal cottage industries significantly.

It was therefore deduced that for the cottage industries, a series of water points allocated to say four enterprises or six could work but some specific activities such as bakeries, butcheries and food kiosks needed individual connections. For the vegetable vendors on the other hand, it was felt that communal water kiosks within the Gikomba area was the most workable solution, whereby proper vegetable washing troughs could also be provided at some nominal payments.

3.3.3 Sewage

Sewer and drainage management provides one of the greatest challenges to urban planning not only in Nairobi but in all human settlements. In Nairobi, this task is handled by the Nairobi City Commission, and so far, no private enterprise has shown interest in running sewer management as a business. Lack of proper management of these two services will render any human settlement uninhabitable or lead to very low level standards of settlement.

The settlements surrounding Gikomba were observed to be poorly provided with sewage disposal
lines. Shauri Moyo residential area was found to have communal ablution blocks serving up to 160 families per block. In Majengo and Bondeni, more congested conditions were noticed. This led to insanitary conditions, which were found to be more aggravated by the increased population of users from the informal sector.

The survey revealed that a meagre 10% of the survey sample had sewer connections (toilets) in their business premises. All the informal activity operators in the study area either use the communal ablutions with the neighbouring residential areas or use any of the other communal toilets within the zone. People were therefore seen to walk up to distances of 1 km in search of conveniences.

Due to this congested condition at the ablution blocks, the standard of hygiene maintained in the conveniences was found to be deplorable. Hence, as a matter of priority, sewer provision in Gikomba was seen to weigh highly for further development in the area.

3.3.4 Drainage

Drainage in general in Gikomba was observed to be poor. The foods and vegetable stalls
areas and the residential areas on the north and eastern end (Majengo), have open unreticulated drains, which meander through the stalls and houses, producing an unbearable stench. During the rain season, these were seen to flood and spread into the working spaces causing a pathetic situation.

It was observed also that all drainage in the area was draining directly into the Nairobi river. Grease, oils, and other organic matter were therefore seen floating in the river with the sides highly polluted by the effluent. The Kenya Meat Commission Cold Stores along the Landhies road was observed as a major contributor to this river pollution by discharging large quantities of fatty effluent directly into the river.

Except for the workshops on Kombo Munyiri road which are on well drained ground, all other areas of Gikomba were found to be poorly drained, with only 5% of the premises depicting any form of planned storm water drainage.

In the workshop areas of Chiriku road, lanes and alleys were constantly blocked with informal craftsmen at work, or their stores. Therefore, pools of stagnant water collected in almost all areas during the wet season making
movement very difficult.

It was therefore concluded that any proposal to formalise informal activities at Gikomba must include a comprehensive drainage system to serve it. So far, the Nairobi City Commission has no regulations governing the establishment of informal activities and the level of cleanliness they should maintain therefore. This should be seen as a major constraint to the development of the drainage system presently.

3.3.5 Rubbish Disposal

Rubbish disposal is another task entrusted to the Nairobi City Commission. The residential areas such as Shauri Moyo, Majengo, Bondeni and Gorofani get infrequent visits by the collection team. Garbage was hence reported to be in most cases rotting in the areas.

The unplanned informal areas do not get Nairobi City Commission attention in rubbish collection. In Gikomba, they were therefore seen to have resorted to either burning their rubbish or disposing it into the Nairobi river.

For the activities operating along Jogoo road, where metal and plastic drums are mainly sold, remnant chemicals from the drums were seen being
a. The polluted Nairobi River.

b. Damping in the river.
a. Informal Sector working conditions are littered with garbage.

b. Open drains meander through work spaces.
burned causing toxic pollution for the Muthurwa and Shauri Moyo residential areas. Among the river belt, where vegetables, green maize and timber were sold, most of the rubbish was organic and was seen to be dumped into the river causing stagnation of the river flow. The resulting effect also affected the river courseway, causing a meandering effect. This was seen to have a number of environmental effects such as river bank pollution, insects breeding and flooding effects during the rain season.

In effect, the Nairobi river was considered a major rubbish carrier for Gikomba informal sector area, while down at the Kamukunji recreation ground, it is expected to be a major recreation feature.

It is therefore envisaged that any plans for future development should include a comprehensive rubbish disposal system and strategies for the development of the river courseway to avoid further environmental pollution.

3.4.0 General Land Use Survey

Gikomba Belt Neighbourhoods is a land of mixed and diverse landuses. The activities are of varying magnitudes and were found to be located in
in the area without any specific order. The survey revealed the following land uses and their approximated spatial distribution:

### 3.4.1

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Description</th>
<th>Zone occupied</th>
<th>Total area</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Total area: 75 Ha.</td>
<td>Covered Area %</td>
</tr>
<tr>
<td>Residential</td>
<td>Low income (by NCC)</td>
<td>Shauri Moyo, Gorofani</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>One/two bedroom units</td>
<td>Bondeni</td>
<td></td>
</tr>
<tr>
<td></td>
<td>flats mixed with commercial activities.</td>
<td>Pumwani road, Kamkunji</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Slum housing with squatters on NCC land.</td>
<td>Majengo, Pumwani</td>
<td></td>
</tr>
<tr>
<td>Industrial</td>
<td>Auto repairs</td>
<td>Jogoo road, Landhies Kombo, Muyiri and Quarry road.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Wood work</td>
<td>Pumwani road, Jogoo road, Gorofani, Nandi road, Chiriku road.</td>
<td></td>
</tr>
<tr>
<td>Landuse</td>
<td>Description</td>
<td>Location Zone</td>
<td>Area %</td>
</tr>
<tr>
<td>-----------------</td>
<td>--------------------------------------</td>
<td>----------------------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>General</td>
<td>Engineering</td>
<td>Kombo Munyiri Rd.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Purnwani Rd.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Kamkunji</td>
<td></td>
</tr>
<tr>
<td>Tailors, watch</td>
<td>repairs, shoe repairs</td>
<td>Punwani Rd,</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Digo Rd.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Burma, Quarry Rd.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Market</td>
<td></td>
</tr>
<tr>
<td>Bakery, Brewery</td>
<td></td>
<td>Purnwani Road.</td>
<td></td>
</tr>
<tr>
<td>Curious and</td>
<td>general carving</td>
<td>Purnwani Road,</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Quarry Road,</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Chiriku Lane</td>
<td>30%</td>
</tr>
<tr>
<td>Commercial</td>
<td>Foods</td>
<td>Purnwani Rd.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>River zone,</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Jogoo Rd. Burma Market; Shauri Moyo</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>shops, Nandi Road.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>River belt,</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Kamkunji, Machakos Bus station, Burma,</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Digo Road.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Butcheries, fishmongers, Bars.</td>
<td>Quarry Market,</td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Purnwani Road,</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Shauri Moyo shops,</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Kamkunji</td>
<td></td>
</tr>
<tr>
<td>Category</td>
<td>Activity</td>
<td>Location</td>
<td>Percentage</td>
</tr>
<tr>
<td>------------------</td>
<td>----------------------------------</td>
<td>---------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>Recreational</td>
<td>Open airground</td>
<td>Kamkunji</td>
<td>4%</td>
</tr>
<tr>
<td></td>
<td>Games</td>
<td>YMCA, Baptist Centre, Jogoo Rd.</td>
<td></td>
</tr>
<tr>
<td>Religious</td>
<td>Christian churches</td>
<td>Shauri Moyo</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mosque</td>
<td>Majengo, Kamkunji</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Open air</td>
<td>Kamkunji</td>
<td>1%</td>
</tr>
<tr>
<td>Agricultural</td>
<td>Informal river belt farming</td>
<td>Nairobi river belt</td>
<td>5%</td>
</tr>
<tr>
<td>Educational</td>
<td>Primary Schools</td>
<td>Muthurwa Islamic YMCA, Baptist Centre</td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td>Religious/commercial</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation</td>
<td>Country Bus terminus</td>
<td>Machakos/Landies Jogoo Rd., Landies, Pumwani, Digo Road.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Local transport routes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Parking</td>
<td>Landies, Quarry Rd. Majengo, Burma Shauri Moyo shopping.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Service stations, Agip Shell, BP and Mobil.</td>
<td>Jogoo Road, Landies, Pumwani Road.</td>
<td></td>
</tr>
<tr>
<td>Civil and other uses</td>
<td>Bus stops and lay offs</td>
<td>Digo Road, Landhies, Jogoo Road, Punwani Road.</td>
<td>8%</td>
</tr>
<tr>
<td>----------------------</td>
<td>-----------------------</td>
<td>-----------------------------------------------</td>
<td>-----</td>
</tr>
<tr>
<td>Grave yard District Officer and chief's office, Police stations</td>
<td>Kaburini, Quarry Road, Punwani, Bondeni, Shauri Moyo, Kamkunji.</td>
<td>2%</td>
<td></td>
</tr>
</tbody>
</table>

Table 4: Land Uses at Gikomba.

Source: Own Empirical Survey.
3.4.2 Summary of Landuse Findings

The survey established that residential and industrial activities were the major land uses in the area, covering a total of 60% of the area.

The industrial activities which are legally planned in the Kombo Munyiri road area and the Pumwani/Chiriku roads were however seen to have spread deep into the residential areas of Shauri Moyo and Pumwani, creating a network of interwaving of the two. This mix, while desirable by the operators, was however seen on environmental considerations to be unsuitable.

The Bondeni and Majengo areas revealed a different and rather complex mix. Shopping, entertainment, industrial and general commercial activities were seen juxtaposed in close proximity. Some of the land uses appeared in ad hoc basis, say during afternoon hours, while in the morning only residential activities were prominent.

The case of food vendors, who were generally women and children was explained as a subsidiary occurrence. The women are occupied in household work in the morning, or busy at the whole sale markets for provisions while the afternoon is used for retail sale of their goods. The children
appear in the market after school hours.

It was therefore observed that the proximity of the various activities to each other was a desirable situation as it was possible for the participants to play double roles at any one day. What however was observed is that for the non-operators, the encroachment of these activities to their residential premises was uncomfortable on environmental and security grounds.

3.5.0 Activities Survey

3.5.1 Residential

The land use survey established that residential landuses occupied 30% of the total area at Gikomba Belt Neighbourhood. It was also observed that the residential accommodation offered is of low cost high density type. Densities as per 1979 were 143 persons per hectare for Shauri Moyo, 360 p/ha for Majengo- Bondeni and Gorofani.44

The occupancy was therefore averaged at 250 persons per hectare, giving an average total resident population of (250 x 30% of 75 Ha) = 5625 persons. No population or demographic survey was carried out for the area, so the above figure was adopted as the average resident population.
PLATE (6)

a. Ad hoc spread of informal activities in Gikomba.

b. Informal activities encroach into transportation lines, thus creating difficulties in movement.
The interdependence or co-existence of this activity with the others is seen subsequently in the various activities survey.

3.5.2 Industrial activities

The survey enumerated a total of 1400 informal cottage industrial establishments in the Gikomba Belt Neighbourhood. These were seen spread out in the area as indicated in the land use chart. The various characteristics of the activities and their related sectors are summarised in the tables which follow in the various subsectors.

a. The Woodwork Industry

In this industry, four sub sectors were identified viz: Timber salesmen, carpentries without machines, carpentries with use of motorised machines, and wood carvers. A total of 230 enterprises were enumerated in all, thus accounting for 17% of the total number of the industrial activities in the area. The table below shows a summary of the inherent wood industry characteristics.
### Table 5: Woodwork Industry, Summary of findings.

Source: Own Empirical Survey.
Physical nature of the wood workshops.

The workshops composed of open and enclosed covered workshops and sales yards. The bulk of them were situated along the Pumwani road with the salvage timber dealers conglomerating along the Nairobi river belt.

The workshops in most cases lacked electricity supply. Only 17% of these were found to be supplied with this service.

Employment

An average of 4 persons per an establishment was generally observed in the timber sales yards and 5 persons an average in the carpentry shops. The carving industry showed an average of 2 persons per unit except for the co-operative group which had a total of 752 wood carvers as members. A total of 1691 persons were therefore approximated to be employed full time in the wood industry at Gikomba.

Investment and Income

The various sectors of the industry indicated initial investment requirements as shown in Table 5. In the prime timber sales yards and the machine shops where initial capital requirements were at least over Kshs.15,000/-,
Carpenters at work; work spaces are generally congested.

Wood industry, source of quality furniture.

Carpenters at work; work spaces are generally congested.
it was observed that these were mainly run through partnership proprietorships, while at least 20% were operated by absent entrepreneurs by agents. The salvage dealers were mainly individual holdings.

The average incomes obtained by the industry workers was deduced from the average receipts as over sh.1000/-. Apprentices in the industry are paid an average of sh.500/- per month while skilled workmen earn between sh.850/- to shs.1,500/-. However, in a number of cases these incomes were shared according to profits obtained after product sales.

Marketing

Marketing of timber products at Gikomba is done at two levels. Either by individual on-site sales or through agents in show rooms in the city centre. 74% of the operators indicated on site sales.

It was generally observed that pricing of items was done through costing of materials and labour. However, labour charges were seen to be always under estimated thus leading to loss of any profits which could have accrued to sales. This undervaluing was seen to occur as away of attracting customers in a bid to undercut the competing workshops.
To exemplify, an analysis of receipts obtained by "Up to Date Furniture shop" in a sale of a '3-piece velvet sofa set' revealed the following state of affairs:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of materials</td>
<td>shs. 6,000/-</td>
</tr>
<tr>
<td>Overheads</td>
<td>shs. 500/-</td>
</tr>
<tr>
<td>Sale price</td>
<td>shs. 7,500/-</td>
</tr>
<tr>
<td>Labour charges</td>
<td>shs. 1,000/-</td>
</tr>
</tbody>
</table>

Number of workers 2; time taken 1 week.
Number of man hours spent = 120.
Average hourly rate per worker = sh.8/30.

Comparing this with an identical item sold in the city centre at sh.15,000/- but made in the same workshop showed that the pricing at Gikomba was far below what should be expected.

It was therefore observed that businessmen in the city centre are aware of this and therefore buy their furniture in Gikomba to resale it at double or triple the price. The implication here therefore was that if this operators could be organised into an organization or co-operative and have their products properly costed and displayed in some common showroom, average returns will be much higher.
Sector Problems

The following were observed as the major problems facing the industry at Gikomba.

1. Lack of covered yards for storage of seasoned timber; as this seasoning is only done by the Timsales Group in the Nairobi industrial area about 8 km away.

2. Increased costs in timber by the kiln drying formal industries, hence raising prices appreciably. This was seen to affect the furniture makers mainly.

3. Ban on the individual saw millers from obtaining timber from Government forests gives the large formal established firms an upper hand in the business. The informal industries have to buy the timber from these at retail price.

4. The salvage timber sales yards occasionally go out of supplies. Their supply, which is mainly from industrial packing cases depends on the arrival of luggage containers in the main industrial area.

5. Furniture shops run at subsistence level because of poor costing. This was
attributed to lack of commercial education and literacy at some cases. It was at times found that some enterprises confuse their business turnovers with profits.

6. The Gikomba informal sector furniture workshops generally do not directly get any government or parastatal bodies tenders for supply of materials or furniture. This was partly seen as a result of the workshops' informal way of operation. They lack insurance, bank accounts and do not keep proper book of accounts; They also lack valuers who could give accurate information in case of tender applications. This was not however the case with their fellow Asian furniture makers on Kombo Munyiri road who do quite well in the tendering business.

7. For the machine operating workshops, it was noticed that electricity supply was generally difficult to obtain once the workshop is built. This was due to legal requirements.

8. Lack of credit facilities for purchase of machinery and lack of adequate workshop space was seen as another constraint to the
9. Lack of showrooms for products at strategic areas was seen as a general wood industry problem. This was seen as the main reason why many people in Nairobi did not know of Gikomba furniture shop's existence.

On assessment, the industry was found to be the heart of Gikomba industrial activities. It also serves as the main workshop for most of the furniture in the city centre shops.

b. The Wood Carvers Industry

Origin:

The group was found to consist of people from the Akamba tribe only. This originated from Machakos District or Kitui District.

Operation

The wood carvers were observed to be in groups of two on average but the main wood carving enterprise at Gikomba is the Nairobi Wood Carvers Co-operative Society. This comprises of 752 members who are all wood carvers. They work as individuals but sell their products through the co-operative, through a common showroom and shop. Proceeds are
a. Organized wood carvers in Gikomba.

b. Interiors of wood carvers co-operative workshops.
then paid back to the owner of the carving, the co-operative only retaining 15% as marketing commission. It was therefore found as highly organised and has customers even in the export market.

**Income**

On average, the wood carvers indicated incomes of shs.800/- to shs.2000/- per month for the very skilled, but this depended on orders obtained especially for export.

**Skills**

Carving is a hereditary skill to the Akamba people and is learnt through assimilation, observation and practice rather than by formal training. It was therefore seen that the industry can be greatly developed with encouragement of more people and simply providing them with facilities.

**Sector Problems**

1. So far, the co-operative group has done quite well, especially in the export division. It was however observed that the co-operative suffers stiff competition from middlemen who buy carvings from needy group members directly, thus offering them
very low prices.

2. The trade was seen as a major source of rural to urban migration as both the carvers and the materials originated from Machakos or Kitui Districts. It was therefore felt that the industry could be located in a rural area in Machakos while only the product sales department is located in the urban areas.

c. Textiles Industry

The survey enumerated a total of 221 informal establishments dealing in textiles. This included: Tailors, salesmen, weavers, spinners and knitters. The weavers were further seen to be divided into manual operators and machine aided weavers. The textiles industrial group accounted for 16% of the total number of industrial activities enumerated at Gikomba. Characteristics of the industry are shown in the chart below.
<table>
<thead>
<tr>
<th>Activity</th>
<th>No. of Establishments</th>
<th>As % of all industrial activity</th>
<th>Average space occupied per unit 2</th>
<th>Average initial investment Ksh.</th>
<th>Average income per month per person Ksh.</th>
<th>Average total sector employment per unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tailors</td>
<td>102</td>
<td>7.0</td>
<td>6,000</td>
<td>1,000</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Handweaving</td>
<td>8</td>
<td>10.0</td>
<td>200</td>
<td>600-1000</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Machine weaving</td>
<td>2</td>
<td>150.0</td>
<td>40,000</td>
<td>1,000</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Spinners</td>
<td>2</td>
<td>40.0</td>
<td>7,000</td>
<td>1,000</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Knitters (manual)</td>
<td>15</td>
<td>3.0</td>
<td>200</td>
<td>400-600</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Knitters (machine)</td>
<td>12</td>
<td>5.0</td>
<td>7,000</td>
<td>1,000</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Clothes general salesmen</td>
<td>80</td>
<td>15.0</td>
<td>2,000</td>
<td>1,000</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>221</strong></td>
<td><strong>16%</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>337</strong></td>
</tr>
</tbody>
</table>

Table 6: Textile Industry, Summary of findings.

Source: Own Empirical Survey.
Physical Nature of the workshop

Tailoring was accommodated in market stalls at Quarry Road Market, Burma Market and in a number of shop verandahs in the Kamkunji and Pumwani road zone. There were also cases of tailoring units within the residential areas of Shauri Moyo and Gorofani.

Hand weaving was done within residential areas. The machine weaving and spinning was done in permanent building workshops at the Undugu and Maridadi Fabrics establishments.

Manual knitting is a traditional women folk activity which was seen to occur as a supplementary exercise by women while they performed other roles such as food vending. It was seen to occur mainly at Gikomba food scales stalls and Burma market stalls.

The sale of clothes occurred in many areas of Gikomba. It was observed to occur mainly in open air stalls. In Quarry Road Market and Burma Market; the stalls are in-doors.

Employment

Averages of 1 person per unit were recorded for the tailors, knitters and hand weavers.
The machine operators at Maridadi and Undugu Fabrics were an average of 8 and 12 in the respective establishments. A total of 337 persons was therefore approximated in the industry.

**Investment and Income**

The investment requirements by the various industries are indicated in the Table No. 6. Average incomes per person involved in the textiles activities at Gikomba was estimated to be over Kshs.1000/- per month. The knitting and hand weaving group however indicated incomes of between Ksh.400–600/- per month. Considering this as a subsidiary income as most of them were involved in other activities, it was found to be a fair supplement to their income.

The incomes at Cikomba reflected a slight difference over the recommended wages in similar activities by the government which for tailors is Ksh.979/- per month, 45 dress cutters Ksh.889/- per month. The industry was therefore in this regard seen as a viable economic activity in the area.

**Marketing**

The marketing of hand woven fabrics was seen to be concentrated at shops within the production units. Both Undugu and Maridadi
enterprises have showrooms and sales shops for their products at Gikomba. This were however seen to be located in unsuitable places as it was found that these clothes were generally more expensive than similar textiles from the mechanised formal industries. The clothes were therefore bought for artistic and fashion purposes. This was generally done by either tourists or people from higher income groups. Hence the location of the sales in the shops could be better if they were possibly located in the city centre. The Jisaidie Cottage Industries, an organization which makes similar clothes was observed to be doing well in sales by virtue of locating their showroom at Kenyatta Avenue, in the city centre.

The knitting groups generally do their sales at their business premises. This occurred in very small retail units which cater mainly for the area population. Operators who made sweaters matching some of the school uniforms did good business during schools reopening sessions. Sales were generally very low otherwise.

The clothes sales group conduct more intensive business in Gikomba. There were groups dealing in second hand clothes, while others dealt mainly in new clothes. The secondhand clothes,
are generally collected from the residential estates in exchange for items such as kitchen ware or hardware. They are mended where necessary and then sold by public auction or retail. There were persons dealing in imported second hand clothes also. This business was seen to have peak sales during pay day seasons, but the vendors were found to be getting difficulties in obtaining their supplies due to import restrictions.

**Sector Problems**

1. Lack of adequate display and storage space was seen as the major physical constraint to the textiles salesmen. During rain seasons; the business had to be abandoned entirely.

2. Tailors were also found to be experiencing space shortage close to the residential areas where they prefer to conduct their businesses generally.

3. Initial capital required for purchase of efficient tailoring machines was high for the individuals. They also lacked credit facilities for this as their businesses had no security or insurances.
d. The Metal Work Industry

Within this industry, a number of activities were examined. These were blacksmiths, tinsmiths, steel fabricators, hardware shops, scrap metal dealers and general machine repair shops. A total of 288 establishments were enumerated, accounting for about 20% of the total industrial activities. A summary of the inherent characteristics of the sub sectors is shown in the table below.

Physical Nature of workshops

Blacksmiths were mainly observed to be operating in open air workshops with small storage cabins where they lock their stores and tools. They displayed their products within the workshop premises which also acted as their sales shops. A typical workshop in the sector was composed of basically a box of tools, a blow lamp and a store of scrap metal raw materials.

The tinsmiths who fabricate sheet metal products from new and scrap materials were seen mainly in open air worksheds along Landhies road and Pumwani road. They produce mainly metal boxes, rain water harvesting gutters, water storage tanks buckets, jars and general flushings.
### METAL WORK INDUSTRY

<table>
<thead>
<tr>
<th>Activity</th>
<th>No. of Establishments</th>
<th>As % of all industry</th>
<th>Average space occupied per unit $^{2}$ m</th>
<th>Average initial investment Ksh.</th>
<th>Average income per month per worker Ksh.</th>
<th>Average sectoral employment per unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blacksmiths</td>
<td>83</td>
<td>10.0</td>
<td>2,000</td>
<td>1000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tinsmiths</td>
<td>109</td>
<td>25.0</td>
<td>2,000</td>
<td>1000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Steel fabricators</td>
<td>30</td>
<td>60.0</td>
<td>15,000</td>
<td>1000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hardware shops</td>
<td>29</td>
<td>50.0</td>
<td>40,000</td>
<td>1000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Machine repair shops</td>
<td>8</td>
<td>80.0</td>
<td>5,000</td>
<td>1000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scrap metal dealers</td>
<td>12</td>
<td>80.0</td>
<td>10,000</td>
<td>1000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Locksmiths</td>
<td>17</td>
<td>10.0</td>
<td>2,000</td>
<td>600-1000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>288</strong></td>
<td><strong>20%</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 7: Metal work Industry, Summary of findings

Source: Own Empirical Findings.
a. Blacksmiths, display and workspace in same premises.

b. Informal workshops under trees.
The tinsmiths workshops were mainly not self supporting entirely due to lack of rolling machines. It was therefore observed that they depended on hiring services from more mechanised workshops along Kombo Munyiri road. They will cut their materials and have them rolled to the desired shape in the machine shops at a price. This way, they were able to fabricate intricate products despite their small establishment sizes.

The steel fabricators who do fitting and fabrication of steel components from framed steel were seen distributed in various parts of the study area. Their workshops were also open air mainly but abutting to enclosed premises for storage of the welding machines at the end of the day. The group makes steel windows, doors, furniture structures and beds. The main mode of joining was seen to be welding and riveting.

The steel fabricators need electricity for all their operations. Because of lack of electricity connection in open spaces, they were generally seen to be tapping their power from residential premises or neighbouring commercial premises at some agreement.

The hardware shops on the other hand were all found to be operating in enclosed permanent
structures because of security requirements. The workspace locations were also determined by the location of other industrial activities. In Chiriku road area, where most industrial activities were concentrated, the hardware business was found to be more dynamic through economies of scale.

The scrap metal dealers also concentrated their enterprises within the Chiriku and Kamkunji area. They operate in enclosed workspaces with yards where they dismantle the scrap machines to retailable components.

Locksmiths were observed to be mainly road side dealers who cut keys and repaired locks in open worktop benches. Their workshops composed mainly a box of tools and a work bench, with a small display board for the various types of locks and keys the operator deals in.

**Employment**

An average of 4 persons per an establishment was deduced in the blacksmith shops. Tinsmiths had an average of 3 persons per an establishment, while locksmiths were generally operated by a single person. A total of 983 persons was approximated to be employed full time in this industry.
Skills

The level of skills in the industry was generally high. The blacksmiths, tinsmiths and steel fabricators produce intricacies which depict ingenuity and skill. 74% of the operators reported having acquired their skills in on job training at Gikomba, therefore indicating the suitability of the industry as a training ground. At least 3 out of 4 workers employed in the metal industry sector were found to be apprentices undergoing some training.

Investment and Income

The various levels of initial investment required to set up typical establishment in this industrial sector are shown on table. The steel fabricators and the hardware shops which indicated capital investment of over shs.15,000/- were generally operated by partnership proprietorships; while the blacksmiths, tinsmiths and locksmiths were 90% single proprietorships. Because of the high investment requirement for the hardwares and steel fabricator workshops, there was felt need for credit facilities which however was difficult to obtain for reasons of lack of security, insurance and organization within the proprietors.
Marketing

The marketing of Gikomba metal industry products was seen to be occurring at two levels. There were on site sales and sales by agent elsewhere. The former category was mainly found to be common with the blacksmiths and locksmiths. The blacksmiths display their products within the workshop surrounds and generally have them coated with some undercoat paint to avoid rust as they are exposed to the open weather conditions.

The sale by agent was common with steel fabricators who make various fabrications for the building industry. Building contractors from a number of formal organizations make large orders for products, which are then sold elsewhere at prices ranging upto three times higher. This was also found to occur with some established hardware shops in the city centre who buy from Gikomba at low prices and sale the products at high prices.

Instances of the sector sale of products to up-country stations was indicated. This was specifically noticed to be common in jars and buckets which are sold at Kajiado and Narok, which were made at Gikomba.
Sector Problems

1. Marketing problems were identified in most of the sub sectors of the industry. This related especially to the lack of proper product display spaces and sales shops. The location of these facilities was currently on an ad hoc basis and did not occur in proper pedestrian thoroughfares.

2. Scrap aluminium, a common material in the blacksmithry work was usually in short supply. This was also found to affect prices of the consequent products greatly; thus making them more expensive compared to products from the formal sector industries.

3. The storage of both materials and finished products was a major problem in the open air workshops. The operators had either to carry their wares home or store them in the neighbouring residential premises at a fee.

4. The entrepreneurs in the sector were generally disorganised and lacked investment plans. Because of this, it was noticed that a number of them had operated their workshops for over 40 years.
without advancing into larger establishments. This could be a result of improperly operated business accounts, thus leading to use of all funds on subsistence or possibly due to lack of aggregation of funds by the various small units to form associations or co-operatives.

e. The Motor Vehicle Repair Industry

The vehicle industry at Gikomba occurs in informal workshops. The depicted different sub sectors in the industry were: general vehicle repair garages, body building and panel beating workshops, and spare part shops and yards. Table 8 shows the specific characteristics as was observed.

Physical Nature of the workshops

Motor vehicle informal workshops were seen spread out in a number of areas of the study zone, with most of these workshops occurring as open air ("jua kali") form. In a number of cases, old vehicle cabins were the only form of shelter provided in a demarcated workshop area where tools and spare parts were kept.

The mechanics hang around their repair spots waiting for customers. Facilities available
## MOTOR VEHICLE INDUSTRY

<table>
<thead>
<tr>
<th>Activity</th>
<th>No. of Establishments.</th>
<th>As % of all industrial activities</th>
<th>Average space occupied per unit $m^2$</th>
<th>Average initial investment Ksh.</th>
<th>Average income per month per person Ksh.</th>
<th>Average total sector employment per unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repair garages</td>
<td>139</td>
<td>150.0</td>
<td>5,000</td>
<td>1000</td>
<td>3(417)</td>
<td></td>
</tr>
<tr>
<td>Body Building</td>
<td>9</td>
<td>200.0</td>
<td>100,000</td>
<td>1000</td>
<td>6(54)</td>
<td></td>
</tr>
<tr>
<td>Panel Beating</td>
<td>48</td>
<td>300.0</td>
<td>30,000</td>
<td>1000</td>
<td>5(240)</td>
<td></td>
</tr>
<tr>
<td>Second hand-spare parts</td>
<td>22</td>
<td>100.0</td>
<td>50,000</td>
<td>1000</td>
<td>5(110)</td>
<td></td>
</tr>
<tr>
<td>New spare parts</td>
<td>13</td>
<td>40.0</td>
<td>100,000</td>
<td>1000</td>
<td>3(39)</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>231</strong></td>
<td><strong>17%</strong></td>
<td><strong>860</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 8: Motor vehicle Repair Industry, Summary of findings.

Source: Own Survey.
were usually a spanner box and a wheelable gas welding unit.

The body building establishments however operate in partly covered workshops which may then have a well protected workshop yard. A typical establishment was found to have at least an electric welding machine, paint spray machines, riveting and compressor engines, besides the basic metal work tools. These establishments were generally located in the Kombo Munyiri road and the Chiriku road.

Panel beating workshops were generally open air and located in close proximity to the other vehicle repair workshops. These were also composed of basically a welding machine, a paint sprayer machine and a compressor.

The spare parts shops were identified as part of the vehicle repair industries. The second hand spare parts operated more lucrative business as most customers who visited Gikomba tended to prefer second hand spare parts for reasons of affordability. Old or accident cars are dismantled and sold as spare parts. The need for the spare parts shops to be within the precincts of vehicle repair workshops was seen as enhanced by agglomeration economics.
Employment

The total employment in the vehicle repair industry was estimated at 860 persons with the majority employed in general vehicle repairs as mechanics or trained mechanics. The general working techniques were that the mechanics usually hang around their repair spots waiting for customers. Customers on the other hand know their mechanics and would direct their work to the mechanics straight. For new customers, it was usually a scramble, each mechanic trying to get the better hand of the other. When work is scanty, the mechanics share part of the day's proceeds for food and accommodation. The person who shares his receipts shall however hold it as credit and would have to be repaid later. Average incomes of more than shs.1000/- per month was obtainable from all the trades in the vehicle repair industry.

The sector was found to constitute entirely of male participants of teenage and middle age groups. Better established workshops were however seen to be in the hands of older and more experienced mechanics.

The body building industry was found to be run mainly by Asian entrepreneurs with African workmen. These workshops are more less formalised
with employees employed at monthly wage levels. They were also found to have strong linkages with major formal corporations in the city centre or the industrial area of Nairobi.

The vehicle industry was generally seen as a training ground for young mechanics, who subsequently then set up their own repair units in the area, thus generally increasing the number of vehicle repair units in the area.

Skills

The survey revealed that only 15% of the mechanics at the study area had their training in a formal institution. 51% were trained in the informal sector while the rest were trained as apprentices elsewhere. For specialised work of this nature, it was felt that the skills were therefore generally low. This was aggravated by the fact that there are numerous makes and types of vehicles, which in away require some specialization by the mechanics for better results. To exemplify, along Jogoo road, two vehicle repair establishments have taken specific specialization for 'BMW' vehicles and 'Diesel' vehicles. This units were found to be highly recommended by a sample of customers. The mechanics have through repeated experience attained considerably high skills,
thus leading to better performances. Such skills were seen to be lacking in the rest of the workshops where the mechanics were observed to be working on 'jack of all' basis.

Organization

It was generally observed that the continued poor performance of the vehicle repair industry was associated with lack of organization. While the mechanics who seemingly operated together in units were seen to be getting substantial incomes; their businesses were generally unimproved. An attempt into forming a co-operative association was seen in a group operating by the name "Nairobi Organised Mechanics Association." The group is composed of 72 (mechanic) members, who united to form the association. Their main objective was to form a giant workshop where they could handle repair work of all types. This way, they felt they will also be able to secure loans and possibly working premises from the government. So far, they have been allocated (on temporary basis) a working place by the City Commission and have therefore been able to have electricity and water connection in their giant work space.

The association trains about 150 junior mechanics at any one season and employs a number
of workers. They were therefore seen to have succeeded in meeting their objectives to great level.

It was however found that the group suffers from mismanagement and lack of financial control. This was therefore seen as a weakness which has to be looked at before an attempt of this nature is appraised. It was on the other hand seen to be operating more successfully than the individual informal mechanics at the study area.

**Investment and Income**

Initial capital investment required to set up a vehicle repair enterprise at Gikomba was approximated to vary from about Ksh.5,000/- to about sh.100,000/-. Such amounts were however only seen to cover the cost of the required basic tools and equipment. If workshop premises, which were generally expensive as shown in the spatial coverage table, then the required capital will be seen to go up drastically.

It was also observed that on average, only 5% of the sector entrepreneurs financed their business operations through credit facilities from the formal finance houses and bank. The rest of the operators raised their funds through piecemeal savings. This savings were on partnership basis or
family ventures. A typical mechanic would start by acquiring simple tools at stages until he is able to compose a whole workshop set of equipment and tools. Borrowing and hiring of tools was a common practice where funds were not available for purchase.

The observed greatest need for capital in the motor vehicle repair subsector was found to be in relation with acquisition for working space. In this connection, the mechanics squatting on Government land and Nairobi City Commission land were seen to have got an easier way round the problem on temporary basis.

Incomes in the industry were assessed to be high compared to the other cottage industrial sector. In all the subsectors, a figure of more than Ksh.1000/- per month was recorded. However, the intermittent nature with which the money was obtained, made planning difficult, especially for most of the sector operators who did not operate bank accounts. Hence, the income however large was normally found to be spent on subsistence or uses outside the industry. This was seen as the major reason why most of the mechanics could not improve their businesses.

Problems in the Sector

1. Vehicle repair work required expansive
working spaces. In Gikomba, this was found to be difficult to find especially in suitable covered form. The workshops were therefore crowded along the Kombo Munyiri road reserve or the Jogoo road and Landhies roads reserves.

2. There was a general mistrust on the mechanics in Gikomba by their customers as they were in a number of cases reported to be exchanging the customer's good vehicle parts for faulty ones. This generally necessitated the customers to hang around the workshops as their work is repaired. This in essence made the Gikomba workshops time consuming for the customers and therefore unpopular among the working class.

3. The vehicle workshops were observed to have littered their workshop precincts with scrap vehicles thus aesthetically causing environmental disharmony. This was particularly seen along Jogoo road and the Nairobi river belt, where the junk yards were found to have developed into uncontrolled rodent hideouts.

4. Desiring entrepreneurs to be, have difficulties in obtaining the basic
tools and equipment as credit to such operators was not easy to obtain without security.

5. Skills in the repair workshops were generally low and there is little specialization by the mechanics as their aim was to repair whichever vehicle they could lay hands on regardless of whether it works efficiently thereafter or not. This was found to lead to poor performance in a substantial number of garages.

6. The number of repair units was seen to be greatly disaggregated leading to scramble for repair work and therefore income. This was also seen to affect the level of skills in the industry tremendously.

f. Food Sales and Processing Industry

The activities identified in this collective industry included the following:- a bakery, a brewery, butcheries, food kiosks and restaurants. The disposition of a number of the food sales activities was found to relate to population concentration points generated by activities from the other commercial sectors. Butcheries were for example concentrated in the
**FOOD SALES AND PROCESSING INDUSTRY**

<table>
<thead>
<tr>
<th>Activity</th>
<th>No. of Establishments</th>
<th>As % of all industrial activities</th>
<th>Average space occupied per unit 2 m</th>
<th>Average initial capital investment Ksh.</th>
<th>Average income per person per month</th>
<th>Average total sector employment per unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brewery</td>
<td>1</td>
<td></td>
<td>500.0</td>
<td>200,000</td>
<td>1000</td>
<td>16</td>
</tr>
<tr>
<td>Bakery</td>
<td>1</td>
<td></td>
<td>120.0</td>
<td>60,000</td>
<td>1000</td>
<td>8</td>
</tr>
<tr>
<td>Butcheries</td>
<td>32</td>
<td></td>
<td>10.0</td>
<td>10,000</td>
<td>1000</td>
<td>2(64)</td>
</tr>
<tr>
<td>Food kiosks</td>
<td>162</td>
<td></td>
<td>30.0</td>
<td>5,000</td>
<td>600</td>
<td>5(810)</td>
</tr>
<tr>
<td>Restaurants</td>
<td>21</td>
<td></td>
<td>40.0</td>
<td>25,000</td>
<td>800</td>
<td>5(105)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>205</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>1003</strong></td>
</tr>
</tbody>
</table>

Table 9: Findings of food industries economic and physical characteristics.

Source: Own Empirical Survey.

Quarry road and Burma markets and in the residential shopping areas of Majengo and Shauri Moyo. Specific identified characteristics are tabulated in the chart above.
Physical Nature and Disposition of Activities.

The brewery which makes 'Chibuku' brand of beer from sugarcane syrup was identified sandwiched amongst the informal cottage industries. The principal processes in the brewery were seen as:— raw materials delivery, crushing of the cane to extract the syrup and fermentation of the syrup to produce the beer. The ready beer was then parked into jericans and marketed in various parts of Nairobi and upcountry stations.

In the raw materials delivery, large quantities of cane were found heaped on the Pumwani road reserve and car park, thus causing spatial constrictions for the other neighbouring industries. Bagasse and molasses by-products were observed to be littering the industry's precincts creating tremendous aesthetic and smell pollution. On this grounds, the industry was assessed as unsuitable for this activity congested area.

The bakery which is also located on Pumwani road in a permanent building workshade was found to be another major food processing industry in Gikomba. The workspace on environmental grounds was observed to be clean and accommodative in the mixed commercial and industrial activities
in the precincts. The bakery machinery was mainly of imported types but an appreciable amount of the equipment and accessories were made within the Gikomba industrial area.

Baking was seen as a process involving mixing of dough, oven baking, packing and finally selling of the products. All these processes were performed at the factory premises. The bakery's front shop was an ideal fresh bread sales units for a large number of people living within the Gikomba and neighbouring area, providing both wholesale and retail services for the products.

On butchery and meat kiosks activities, a total of 32 units were enumerated in Gikomba. These enterprises were generally small in capacity and of low hygienic standards. The butcheries were seen to serve mainly the local population of the area except for the Shauri Moyo and Burma market units which were observed to have double roles, including serving patrons at popular entertainment bars in the area, which were infested with people from other parts of Nairobi too.

The food kiosks and restaurants were seen as essential ancillary services to the rest of the economic activities in Gikomba. They were concerned with selling of meals and packed snacks
at comparatively cheap prices for a wide range of income groups.

The kiosks were observed to be operated in semi-permanent building structures, comprising as a minimum iron sheets walls and roof with cement screed for the floor. These were essential prerequisite conditions stipulated by City Commission's Improved Kiosks Policy.

The restaurants are more expensive to operate and require among other things that there must be a good level of utilities such as water, sewerage and possibly electricity. They were identified in the Quarry road, Pumwani road and Shauri Moyo shopping centre.

The conditions observed in the restaurants were generally low, being not very different from those in the food kiosks. With most of these restaurants situated within precincts of industrial premises, they were generally polluted with unsightly views, the smell of industrial waste and in a way crowded with people seeking the use of conveniences rather than to buy meals.
Employment

A total of over 1003 persons was estimated to be employed in the food processing and selling industry. The brewery was found to have a total of 16 employees, with twelve of them involved in the production process while the other four were on sales and management category. No trainees were reported to be engaged in the industry generally. Incomes for the employees in the brewery were from shs.500 to over shs.1000 per month, depending on the skill one was involved in.

In the bakery 8 persons were employed with 1 in the management, 1 in sales and the rest in production. It was observed that skills required in the bakery were low and generally acquired on the job training. Monthly wages for the bakery employees were recorded as being a minimum of shs.800 with 60% of the personnel earning over shs.1000 per month. It was also observed that the bakery employed both women and men in their production process.

The food kiosks and restaurants revealed an average of 5 employees per unit, each. This figure was reported to be fluctuating depending on the season. It was therefore observed that the employees were mainly on casual basis, but an
enterprise usually kept a list of persons from which it could recruit employees. Wages were generally paid per day, ranging from sh.20 to sh. 30. Meals costing a minimum of sh.10 per day were also included in the wages calculations, raising the daily wages upto sh.30 to sh.40 per day.

It was also predominantly observed that employees were mainly from the neighbouring estates to Gikomba.

Organisation

It is observed that activities in this collective industry are quite diverse. This was also seen to be the case with the general business organization. The brewery and the bakery were under individual proprietors and run partly through credit assistance from formal financial institutions.

The food kiosks were 70% single proprietorships with the rest in partnerships or family associations. In Gikomba, it was also found that the food kiosks were not organised through any collective union, hence the operation conditions in terms of what to sell and where to locate the premises and the regulations governing staff employment were done on individual
enterprises' discretion. Hence, conditions such as those laid down by the Hotel and Allied Workers Union in Kenya did not apply.

**Investment**

Investment requirements to set up the various businesses in the sector were approximated to range from Ksh.5000 in the food kiosks to well over sh.200000/- in the brewery. In overall assessment of the food processing industry, less than 4% of the entrepreneurs had credit facilities from financial institutions, hence the bulk of the operations were set up on either individual savings, family contributions or collective individuals' savings.

**Problems in the Sector**

1. The physical location of the eating places was contributive to the low hygienic standards of food kiosks and restaurants in Gikomba. This was particularly as a result of situating these activities too close to industrial activities.

2. No suitable area was allocated for the kiosks generally. Where this occurred in Burma market, conditions were found to be more favourable.
3. Lack of credit facilities for the food kiosks, butcheries and some restaurants implied use of low level equipment hence resulting to low standards of operation. This particularly affected butcheries which lacked cold storage facilities, and food kiosks which lacked suitable cooking equipment.

4. Lack of proper services such as water, sewage and electricity made conditions in the industry experience a number of difficulties relating to environmental betterment.

5. Lack of proper training for the operators in the food industry resulted to difficulties in the restaurants management and cookery in general.

6. Location of the brewery in the congested electricity area was seen as a big environmental disturbance.

g. Leather, Rubber and Plastics Industries

The activities examined in this sector included:- shoe makers, shoe repairers, skin drum makers, salvage rubber dealers and polythene paper bag makers. A total of 159 enterprises were enumerated contributing to upto 10% of the Gikomba
industrial activities in quantity. Characteristics deduced as predominant in the sector are shown in the table below.

**LEATHER, RUBBER AND PLASTICS INDUSTRY**

<table>
<thead>
<tr>
<th>Activity</th>
<th>No. of Establishments</th>
<th>As.% of Industrial activities</th>
<th>Average space occupied per unit m²</th>
<th>Average initial capital investment Ksh.</th>
<th>Average income per person per month ksh.</th>
<th>Average total sector employment per unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leather shoes makers</td>
<td>14</td>
<td>10.0</td>
<td>10,000</td>
<td>1000</td>
<td>4 (56)</td>
<td></td>
</tr>
<tr>
<td>Leather shoes repairers</td>
<td>52</td>
<td>7.0</td>
<td>2,000</td>
<td>600-1000</td>
<td>1 (52)</td>
<td></td>
</tr>
<tr>
<td>Skin drum makers</td>
<td>25</td>
<td>80.0</td>
<td>3,000</td>
<td>1000</td>
<td>3 (75)</td>
<td></td>
</tr>
<tr>
<td>Rubber shoes makers</td>
<td>22</td>
<td>10.0</td>
<td>500</td>
<td>400-600</td>
<td>1 (22)</td>
<td></td>
</tr>
<tr>
<td>Tyre sellers</td>
<td>13</td>
<td>60.0</td>
<td>5,000</td>
<td>1000</td>
<td>5 (65)</td>
<td></td>
</tr>
<tr>
<td>Plastic bag makers</td>
<td>29</td>
<td>10.0</td>
<td>200</td>
<td>400-600</td>
<td>1 (29)</td>
<td></td>
</tr>
<tr>
<td>Plastic upholsterers</td>
<td>4</td>
<td>60.0</td>
<td>15,000</td>
<td>1000</td>
<td>5 (20)</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>259</strong></td>
<td><strong>10%</strong></td>
<td></td>
<td><strong>318</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 10: Leather, rubber and plastics industries, survey findings characteristics.

Source: Own Empirical Survey.
Nature and Distribution of working places

The shoes making activities at Gikomba are of a small scale nature but spread out in many parts of the area. In Kamkunji and along Pumwani road; the activities were accommodated within small permanent premises shops. They consisted mainly of simple working tools, moulds and leather sewing machines. They were observed to be making shoes which were in demand mainly in the lower income groups and formed a substantial stock in the shoes selling activities in the study area. The leather required was obtained from tannaries in the Nairobi industrial area and Sagana in Murang'a District.

The shoes repairs activity was wide spread in the residential areas shopping centre precincts and in a number of stalls at Burma and Quarry road markets. The work spaces occupied by the shows repair activity were small, averaging to about $7m^2$ per unit. In a number of cases, it was found that these show repairers occupied shop verandahs, as their workshops, thereby using the shop facilities for storage of the materials and equipment at the end of the day. A number of the show repair enterprises were also found to be mobile in location, depending on availability of workspace and customers availability.
a. Makeshift structures, typical in informal workshops in Gikomba.

b. Rubber shoe makers.
Rubber shoes makers on the other hand operate open air workshops, tending only to cover the operators sitting space by some makeshift polythene or carton structures. The displays were seen to be on the open ground along pedestrian thoroughfares. Raw materials were found to be basically old car tyres and tubes.

The rubber shoe makers were predominantly people from the Kamba and Luo tribes, which tended to lead to a conclusion that these were also hereditary activities.

The plastics packing paper industry was run in very small scales by youths. A typical production unit comprised of a hot guillotine bar and a cutting table. The polythene plastic sheets which were normally bought at some stalls in Gikomba were measured to required size and cut with preheated guillotines thus performing the double actions of cutting and sealing the edges. The products were then marketed by the youths in Gikomba as packing bags for foods and general wares.

The plastic upholstering is mainly related to the car and furniture making industries. The operators perform tasks of providing plastic upholstering to car seats and sofa sets.
a. Metal drums, source of raw materials for a number of activities.

b. Skin drum makers; an incompatible activity due to smell pollution.
Their working spaces comprise covered workshops in the Chiriku road area and annex open protected yards where car upholstering is carried out. Materials are generally obtained from the Nairobi's industrial area and Biashara street in the city centre.

Skin drum making was another wide spread industry seen in the Chiriku road area of Gikomba. The operators were predominantly of Akamba tribe, and make 'table drums' of many shapes and sizes and other smaller types of drums mainly sold as decorative souvenirs. Materials were mainly plywood and wet animal hides from butcheries in Nairobi peri urban areas.

The skin drum making occupied fairly expansive external working spaces and internal covered 'curing' spaces. An approximated $60m^2$ per unit was estimated.

The skin drum activity was found to be repugnant to the other activities in Gikomba because of the smell and great number of flies which infested the industries working premises.

**Employment**

The survey revealed that approximately 318 persons were involved in the leather, rubber
and plastics industry at Gikomba. Leather making shops were estimated to be employing 4 persons per unit, while the skin drum makers were assessed to have an average of 3 persons per unit. The rubber shoe makers and general shoe repairers were predominantly 1 person operations.

The monthly earnings were estimated as over ksh.1000 per person in most activities but tyre shoes and plastic bag making were not as lucrative, realising incomes of between ksh.400 and 600/- per month. This was related to the very small scale of the activities.

Investment

Initial capital investment assessment for the various subsectors of the industry are indicated in the summary chart above. However, specific mention should be made that activities in this industry were observed to be progressive in nature, whereby the operator could start with the very basic tools and run the business until he is able to purchase the machinery required. This was depicted by the shoe making enterprises where manual methods were generally adopted before sewing machines were obtained, plastic bag makers and the upholsterers.
Marketing

The marketing of products in the leather rubber and plastics industries was fully done through retail. While the shoe makers sold mostly through shops within the factory premises, a number of agents were distributed in strategic areas of Gikomba selling shoes in public thoroughfares.

Skin drum makers sell their products through mobile hawking units, visiting curio shops in the city centre and also through residential areas where they call their customers by use of adopted slogans. This was seen as a particularly difficult task as the drums are heavy and generally have a smell from the partially dried skin cover.

Selling of plastic bags in Gikomba is done through youngsters who are paid commission of 20 cents for bags sold for sh.150 or more. The youngers increase in numbers in the evenings when those in school arrive to make their sales. On the other hand, upholstery is done by order only; hence the activity intensity will depend on the amount of work received from vehicle body making and repair industry and the furniture makers.
Sector Problems

The following were seen as the major problems facing the leather, rubber and plastics sector:

1. The leather industry reported difficulties in obtaining quality leather as the tannaries only sold low quality types to small entrepreneurs, with the best qualities apparently being exported for further treatment or utilised by the large formal industries.

2. The drum making industry was environmentally unacceptable due to smell and unsightly effects produced by raw hides. This implied need for special operation areas which were not demarcated in Gikomba.

3. Plastic bag makers, lacked proper tools which would enhance fast production of their work. Their incomes were therefore seen to be generally low as they would not produce faster with their present technology.

4. Credit facilities were generally lacking to enable entrepreneurs in this sector purchase better working equipment.
5. The disposition of the activities was crowded in some areas while in other areas there were no activities. This was due to lack of any collective organization thus leading to unnecessary competition.

h. Other Industrial activities

There were a number of other small informal industries which complete the spectrum of the industrial activities at Gikomba Belt Neighbourhood. While they were basically of very small magnitudes, they were found to be of significant value to the rest of the industrial community, providing linkage services and subsequently significant employment. Those identified included: electronics radio repairs, watch repairs, handcrafts and other general engineering repair work. A summary of the characteristics of these activities is given in the chart below.

The listed industries were among those examined within the wide range of the other general industrial activities. Inherent characteristics in terms of employment, skills, marketing and organization were found to be closely similar to the various other sectors already analysed.
### OTHER INDUSTRIES

<table>
<thead>
<tr>
<th>Activity</th>
<th>No. of Establishments</th>
<th>As % of all industrial activities</th>
<th>Average space occupied per unit $^2$ m</th>
<th>Average initial capital investment Ksh.</th>
<th>Average income per month per person Ksh.</th>
<th>Average sector employment per unit.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Radio repairs</td>
<td>8</td>
<td>7.0</td>
<td>10,000</td>
<td>1000</td>
<td>1(8)</td>
<td></td>
</tr>
<tr>
<td>Watch repairs</td>
<td>14</td>
<td>3.0</td>
<td>1,000</td>
<td>400-600</td>
<td>1(14)</td>
<td></td>
</tr>
<tr>
<td>General Engineering</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>bicycle repairs</td>
<td>7</td>
<td>20.0</td>
<td>2,000</td>
<td>600-1000</td>
<td>1(7)</td>
<td></td>
</tr>
<tr>
<td>Handcrafts (basketry)</td>
<td>14</td>
<td>7.0</td>
<td>200</td>
<td>400-600</td>
<td>1(14)</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>43</strong></td>
<td><strong>4%</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>43</strong></td>
</tr>
</tbody>
</table>

Table 11: Survey findings on other industries in Gikomba.

Source: Own Empirical Findings.
Specific problems inhibiting the industries were found to be inadequate legitimate working space, lack of capital and difficulties in acquisition of operation licences.

3.5.3 Social and Community facilities

In the early part of this chapter, a brief mention of social and community facilities available in Gikomba study area was made. Some of these facilities were examined to determine their influence on the industrial and commercial activities at Gikomba. A brief descriptive structure is herebelow summarised.

Religious facilities

These included the Baptist Church on Jogoo road, The Seventy Day Adventist Church at Shauri Moyo, The Salvation Army Church on Landhies road and the Mosque at Majengo.

It was observed that the influence of these facilities as far as the industrial activities were concerned was not direct but was nevertheless substantial. This was true in that participants in the various religious meetings were found to spend some time after their services at Gikomba either purchasing items or doing some market survey.
It was particularly noticed that the textiles businesses and the vegetable stalls at Gikomba had boom business on Sundays after services; with peak periods being recorded between 11 a.m. and 1 p.m.

Recreation Activities

Kamkunji open ground which was observed to have a population of between 60 and 120 persons in normal working days was found to have greatly increased number of persons on Sundays. Patrons were either resting or in some occasions listening to some ad hoc preachers who conduct impromptu services. In this connection, Kamkunji open ground was such as a major ancillary activity to the informal activities at Gikomba.

The other social facility found to be of significant contribution to the increased operation of Gikomba economic sector was the Nairobi City Stadium located just off the study area on the southern edge of Jogoo road. Car owners had their cars repaired or washed at Gikomba while they watched activities in the stadium. This group also increased the sale of petrol in the Jogoo road service stations on activity days at the stadium. Other facilities such as bars and the Purma market food
a. Recreation spaces, component of informal activities; Kamkunji park.

b. Encroachment of textile sales in the Kamkunji park.
kiosks recorded increased sales when functions were taking place at the stadium.

Finally, it was observed that the interdependency of activities in Gikomba was high and future plan proposals for the area will need to consider all sectors in order to produce as rich an environment as that depicted currently.

3.5.4 Summary of Activities Findings

Physical Nature

The activities physical conditions survey revealed that most of the informal industrial activities were operated in open workshops, with only exceptional cases being accommodated in permanent premises. Average spatial coverage of between 10.0 m^2 and 150.0 m^2 were found, thus implying total spatial occupancy of approximately 50,000 m^2 for the entire industrial activities at Gikomba.

It was however observed that these activities were not efficiently organised on the study area and could therefore be planned to occupy even less of the space if anthropometric studies could be conducted to determine actual space requirements by each unit.
It was also found that the informal industrial activity operators at Gikomba could not erect better workspaces because of lack of entitlement to land and also because of financial constraints.

**Employment**

The survey on employment, revealed that a total of over 5,293 persons were employed in the informal industrial activities at Gikomba, with 40% of them earning incomes of over Ksh.1000 per month, 17% earning between Ksh.600-1000 per month, while 28% earned between Ksh.300 to Ksh.600 per month. Only 15% of the operators indicated incomes of below Ksh.300 per month from the informal activities at Gikomba.

The income survey results therefore indicated that the informal sector operators were not badly off in terms of monthly incomes compared with the formal sector minimum wages stipulated by the government, which in Nairobi is a minimum of sh.480 per month. It was therefore observed that at least 60% of the informal sector industry operates at Gikomba earned monthly wages higher than the government minimum stipulated wages in urban areas, thus implying the need for promotion of the activities as employment generators.
Skills

The survey revealed that the informal industrial sector at Gikomba is composed of a labour force of 60% skilled labour while the rest were not.

The origins of the operators' skills were varied. 19% were trained through apprenticeships in formal industries, 15% were trained in formal colleges, while 51% had learned their trade in the informal sector. 8% of the operators (mainly wood carvers) felt that their skills were inherited or copied from their parents. It was therefore concluded that most of the industrial activities in the informal sector were operated by participants who have had their training in the informal sector. This was an indication of the nature of the sector as a training ground.

Investment Level

The investment level in the informal sector was not easy to assess. This is true on the ground that the entrepreneurs were found to operate informal accounts, usually not recorded. They set up their businesses in an ad hoc manner without any recorded feasibility studies, thus without any
financial statistics. The figures therefore cited indicated what the entrepreneurs felt they could spend presently to set up businesses similar to what they operated at Gikomba.

On this premise, the survey initial 7% of the entrepreneurs needed initial capital investment of below Ksh.500, 16% indicated investment capital of between sh.500 and Ksh.2000/-, while 15% indicated investment capital of between Ksh.2000 and Ksh.5000. It was also found that 20% of the industries had initial capital investment of between Ksh.5000/- and Ksh.15,000/-. Only 12% indicated investment levels of between Ksh.15,000/- and Ksh.50,000/-. Firms with initial capital investment of more than Ksh.50,000/- were estimated at 10% and were considered of less priority for appraisal unless they were run by a co-operative society or some type of local people's organization.

It was therefore concluded that Gikomba informal sector industries have low capital investment level despite the fact that their turnovers in terms of employment, income and training are comparatively high.

Organization of Activities

The informal activities at Gikomba were
found to be organised at four levels. 70% of the establishments were under individual proprietorships, 23% under partnerships, while 5% were either under co-operative operation or business associations.

The marketing organization was found to closely similar trends viz: 74% through individual firms retail at Gikomba, 5% through co-operative sales, while 8% of the establishments marketed through collective showrooms and shops. 12% of the sales were done by tenders and wholesale orders.

It was therefore concluded that despite the fact that the survey revealed better operation results through co-operatives and business associations at Gikomba, the bulk of establishments continued to operate as individual enterprises, thus leading to lower performance levels.
FOOTNOTES AND REFERENCES

43. Heavy electrical machine motors use electricity supply of voltage 415V, generally referred to as 3 phase supply, while domestic supplies of 240V are referred to as single phase supply.


CHAPTER FOUR

INSTITUTIONAL CONTROLS AND POLICY TRENDS

This chapter attempts to look at the existing legal controls and the related policy trends as they were seen to have affected the development of the informal sector. A brief look at development efforts made in other parts of the world in line with similar activities is also attempted so as to build a basis for future development recommendations for the Gikomba Belt Neighbourhood.

4.1.0 Regulations Survey

Within this study, a number of regulations and statutory laws were surveyed to assess their possible effect to the development of the cottage industries and the informal sector activities generally. The regulations included a number of Acts in the Laws of Kenya; Adoptive By-laws and any other sector regulations thought to be of relevance to the study.

4.1.1 The Factories Act, Chapter 514, Laws of Kenya.

The above act recognizes the informal cottage industries as 'factories' and stipulates that they should therefore conform with all the
regulations and requirements of the Act. In section 5, it states "A factory means any premises in which or within which the close or curtilage or precincts of which persons are employed in manual labour in any process for or incidental to any of the following purposes: -

(a) The making of any article or of part of any article or

(b) The altering, repairing, ornamenting, finishing cleaning or washing or the breaking up or demolition of any article or

(c) The adapting for sale of any article.

As it was observed in the previous analysis of the Gikomba industrial activities, the involvement of most of the establishments were in one or more of the processes cited by the Factories Act. It therefore implies that within the jurisdiction of this act, Gikomba area should be treated as a general factory area.

It was also noted that, within the same section, the Act further goes on to qualify the activities by stating that:

"premises shall not be excluded from the definition of a factory by reason only that they are open air premises."
Section 7 of the same Act stipulates that the Chief Inspector shall keep a register of factories in which he shall cause to be entered all particulars in relation to every factory required to be registered under the Act. It is also compulsory that all such premises shall operate under certificate which shall be issued at the discretion of the inspector after the operator's completion of Schedule 1 forms of the said Act.

The element of the inspector's discretion and some of the contents in the Schedule 1 forms including certificate of land title or certificate of lease have been major hindrances to the issuing of the stipulated factory operation certificate. In most cases the "inspector's discretion" has meant unnecessary bottlenecks, including corruption and indiscriminate obstinancy.

4.1.2 Health Requirements

In Section 18 of the Factories Act, the health requirements of the factory premises are stated. In part, this requirement states:

Sufficient and suitable sanitary conveniences for the persons employed in the factory shall be provided, maintained and kept
clean, and effective provision shall be made for lighting the conveniences. Section 46(i) goes on to state further requirements that:

An adequate supply of wholesome drinking water shall be provided and maintained at suitable points, conveniently accessible to all persons employed. Such people shall also be provided with suitable and well maintained facilities for washing, which shall be conveniently accessible to all. 46

Assessing the situation at Gikomba on the ground of these health and welfare requirements in factory premises, it was clear that the Gikomba cottage industries do not meet any of these requirements. Only 20% of the premises had piped water connections and 10% with sewered toilets within their premises. In no establishment were washing facilities identified at the study area, except for the communal shower rooms in the residential areas of Shauri Moyo and Gorofani/Bondeni.

It is therefore seen that the Gikomba cottage industries are illegal and operate in contravention of the statutory requirements of the Act.
The Act as constraint

From the preceding, it should on the other hand be seen that the Factories Act is a development constraint if it has to apply to the previously analysed cottage industrial activities. This can be understood from the initial development capital required for some of the establishments. For example, it was observed earlier that a tinsmith requires about Ksh.2000/- to set up a typical establishment in the sector. If he has to include a toilet and a shower unit and have his sewer connection, he will at least need an extra Ksh.8,000/-, (viz: sh.5,000 for a complete toilet unit with wash hand basin and another Ksh.3,000/- for shower room and sewer connection). The initial capital investment required would then be a minimum of Ksh.10,000/-. This will definitely be a difficult amount for informal sector operators to obtain.

There are many other legal requirements in the various Acts of the Laws of Kenya which can be seen in the same light. If the informal sector operators have to conform with the total ensemble of these, it is considered that Gikomba will be non existent. Hence, either the Planning Authorities shall continue to ignore the regulations so as to let the informal sector flourish, or adopt some
suitable by-laws which shall take into account the existence of these 'pseudo factories' thus creating a more favourable environment for their existence.

4.1.3 **Business Licencing Act Cap 497**

Section 5 of the above Act in part states that:-

"No person shall conduct any business except under and in accordance with the terms of a current licence."

The Scrap Metal Act Cap 503, Section 3:1 stipulates yet another impediment that:

"No person except that excepted by the Minister in charge shall deal or attempt to deal in any scrap metal unless he is licenced."

In each case, it was noticed that there is a section within these legal requirements which stipulates that the licences shall indicate at least the following; business location, including plot number and certificate of proof of premises ownership or temporary lease. Both of these are seen to be difficult to obtain for informal sector operators, who in most cases are squatters on Government or NCC Land.
4.1.4 Land Planning Legislation

The Land Planning Act Cap. 303 of the Laws of Kenya in part stipulates that:- the undertaking of the following shall be considered as development:-

(a) The carrying out of building operations, engineering operations ...... and other such operations in, on, over or under land or

(b) The making of any material change in the use of any building or other land.

The Act also in section 10(i) 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 Gikomba neighbourhoods, it was found that other than for the developments undertaken by NCC and a few of the Kombo Munyiri road workshops, the informal cottage industries do not seek development permission before undertaking their developments. The kind of development mix depicted in the area should be seen therefore as a result
of contravention of this regulation. On the other hand, it should be seen as a fair option by the operators as it is apparent that they would have difficulties in obtaining permission to undertake development in land where they have no right of occupancy. It was therefore clearly observed that unless the informal sector operators get legal access to land, all other legal requirements would be against their operations, and it would therefore be difficult for these industries to conform with any of the statutory requirements cited above.

An option exists with the unutilised Government and NCC land in Gikomba. Such an option is based on the premise that such land has been undeveloped since the origins of Nairobi and could therefore be converted by the Planning Authority into legal use by the informal activities currently being undertaken there.

4.1.5 Power to Acquire Land

The Government Lands Act Chapter 280, Laws of Kenya, section 9 empowers the Commissioner of Lands to cause to devide any portion of a township which is not required for public purposes to be devided into plots suitable for the development of buildings for business or residential purposes.
Section 3 of the same Act gives further powers to the President to undertake the decision for the purposes of alienating Government Land for:

(a) Town Planning exchanges on the recommendation of the Town Planning Authority.

(b) The sale of small remnants of land in the city of Nairobi acquired for town planning purposes and left over after those town planning needs have been met.

4.1.6 Nairobi • City Council By-laws

Further legal controls to the informal sector developments are seen in Gikomba through the NCC Adoptive By-laws 1948. Section 18 stipulates that:

"a person shall not put any building to any use which might be calculated to depreciate the value of neighbouring property or to interfere with the convenience or comfort of neighbouring occupiers or cause annoyance thereto; or which might have deleterious effect upon the health of occupiers in that neighbourhood."

In Shauri Moyo and Bondeni areas of Gikomba, it was noticed that the industrial activities have encroached deep into the residential premises. In some cases, the tinsmiths and blacksmiths operate noisy workshops in the
verandahs of the residential premises. This was seen as a contravention of the requirements of the above By-laws.

In the assessment of activity compatibility it was seen that the response by the area occupants indicated that 40% did not find the encroachment of the industrial activities into their residential premises as nuisance. This was observed to be one of the reasons why some of the area occupants set up informal industrial activities within their residential quarters. To such, the above By-law appears prohibitive. On the general environmental analysis however, it should be seen that such activity mix should be planned with the By-law in mind.

The study therefore concluded that since the law exists for the common good of man, then, some suitable area needs to be located where these activities could be accommodated within close reach of the occupants. The industries to be included within the residential areas would need careful selection to avoid those with nuisance, and no night work to be permitted.

By-law 51 limits the areas upon which any person may be permitted to erect a factory, workshop or building for industrial purposes.
Such restrictions while intended to clear some areas of nuisance, it is seen to inhibit the coming up of informal industrial activities where the people need them. The Greater London Planning Council for example has legitimized the need for distribution of small industries in residential areas for the main reason that they may provide local work to married women and the men and women over retiring age, who could be unwilling or unable to travel far to work. This may be true for Gikomba, and in addition such industries would be seen as infrastructural savers especially on transportation.

4.1.7 **The Power Act Cap 314**

The Electricity Power Act Cap 314 of the Laws of Kenya, section 28(b) states that:

"the authorized distributor shall not give supply of electrical energy to any premises or that part thereof in the subject of an order for demolition made at the instance of the public or local authority within the area of whose jurisdiction the premises are situated."

It has already been analysed before that most Gikomba informal sector activities are situated in public land and they are therefore under demolition order at any one time. It therefore implies that the above cited Act bars them from obtaining
electricity supply unless they have legitimacy of land ownership.

Such is only one of the many regulations which inhibit the operation of small industries in the study area and in many other settlements in Kenya. Other utilities are also in one way or other controlled within the statutory legal framework.

4.1.8 Summary

The trace of regulations therefore shows the existence of two categories of controls: prohibitive and adoptive. In the informal sector activities development, the prohibitive regulations have thus far inhibited the development of a more constructive environment, where these activities could grow. It is however seen that such prohibitions have not been effective as the activities are seen to have been on the increase. Paradoxically, one could argue that the Planning Authorities have been aware of the need for the development of the informal sector but have their hands tied by the prohibitive laws, which were set up when (perhaps) there was no trace of the activities or were adopted from another system where such activities were not prevalent. The latter alternative seems to be the case in Kenya as the quoted Acts are in most cases a replica of
the British Laws from whence they were adopted.

The adoptive regulations on the other hand are seen as counsels or guidelines which the Planning Authorities could use in collaboration with the activity participants in order to replan the environment.

The regulation study has also brought into light the fact that all the legal controls analysed thus far are centred on one main issue, viz: Land. Without proper title to land, all other regulations were found to be prohibitive to any activities one may want to undertake within the settlements. It was therefore envisaged that any feasible plans for the development of any area must solve as a prerequisite the issue of land ownership.

In Gikomba settlement, it therefore appeared apparent that if any action would be meaningful, the squatting issue would have to be solved first. In the Government Lands Act Cap. 280, it was seen that the Commissioner of Lands may adopt the Government Lands at Gikomba or any other place, into private plots for development as opposed to having it remain fallow in an area where the informal sector needs seem to override whatever the intention the Commissioner might have
spared such lands for.

However, the regulations can only be seen to be of need if the Planning Authority could see the gleam plight of the informal sector operators as a serious planning issue. The incidentally appears to be what may be lacking at Gikomba.

4.2.0 Policy Survey and Previous Efforts

In this section, an assessment of the post-independence government policy trends in the informal sector development is done. The assessment also includes a few development trends cases in the same section from other parts of the world for comparative purposes.

4.2.1 The Kenyan Case.

The Kenya government's strategy for industrialization and commerce soon after independence was geared towards expanded overall output rather than to changes in the distribution of production to particular sectors. Industrial development was therefore at this time not really disaggregated in policy so as to cater for the formal and informal sector separately. However, by 1967, the trends were changing. The Kenya Industrial Estates (KIE) was created to look into
matters relating to finance and technical aid to industrial enterprises. This however was only operative in limited areas of the country.

The Industrial Commercial Development Corporation (ICDC) which had been established in the colonial government in 1954 to facilitate the industrial and economic development of Kenya through the assistance or expansion of the industrial, commercial and other undertakings or enterprises in Kenya, was amended in 1967 so as to be more suited for Kenyan participation. The Trade Licencing Act was also enacted the same year with the view of opening up commerce for the Kenyans, which hitherto had been controlled by foreigners especially non-citizen Asians.

In the 1970-74 Development Plan, another major government policy steps in the development of small industries as a major strategy for unemployment alleviation is observed. The issue was raised through what was called a 'Kenyanization' policy in industry and commerce. Section 10:2 of the said plan stated that:

"Although the acceleration of industrial growth is the first aim of the government's effort in industrial development policy, active and steadily growing participation of Kenyan citizens in the management and ownership of industry is regarded as very important."
The 1970-74 Development Plan also enlarged the view in the commerce sector, whereby greater citizen participation was to be encouraged through more training in entrepreneurship and imposition of impediments through licencing foreigners dealing in particular goods. This was to strengthen the Trade Licencing Act to be more favourable to citizens.

The ILO study on increasing productive employment was conducted in 1972 in Kenya. This study was a major step towards increasing governmental awareness and concern in the development of the small scale industries and the informal sector as a whole.

The ILO study in summary disaggregated the employment sectors of Kenya's economy to formal and informal. Characteristics of the informal sector were for the first time in Kenya examined with the report highly recommending the sector as a priority area for emphasis in the economic development of the country.

As a government response to the ILO study recommendations, the Sessional Paper No.10 on Employment in 1973 was published. The main objectives of this paper were centred on ways and means of increasing productive employment in Kenya
in general, but with greater emphasis on the promotion of the informal sector and small scale enterprises.

In the 1974-78 Development Plan, the informal sector received considerable deliberation as a result of the ILO study and the ensuing Government Sessional Paper on Employment within this plan, the government policy stressed the need for laying emphasis in the promotion of small scale enterprises. This was to be strengthened through the establishment of industrial estates, Rural Industrial Development Centres and the promotion of indigenous African entrepreneurs in the informal sector.

As away of acquiring the necessary information which will be used to plan for the small scale industries, the Industrial Survey and Research Promotion Centre (ISRPC) was set up, within the Ministry of Commerce and Industry.

The 1974-78 Plan went another step ahead, to lay down proposals for implementation of the small scale industries plan. Section 12:63 of the plan stated that: "small industries should complement the large scale ones". The competitive strengths which had earlier been severely limited through some counter productive harassment of
these enterprises was to be promptly ended. The policy strategies were to take three forms; viz:

(i) to review Central and Local Government regulations that were inimical to small scale enterprises.

(ii) to direct assistance to small business enterprises all over the country.

(iii) to establish an organization that was well equipped to administer and provide extension services to the small enterprises.

It was also stated that the government was to review all general industrial and commercial policies and regulations with reference to their impact on small businesses. Such review was to establish which subsector of manufacturing was to be reserved mainly for small enterprises, and study the linkage between small and large scale industry as part of its efforts in planning industrial location.

It was also envisaged that in order to improve the quality, quantity and the co-ordination of services to small businesses, a new corporation to be known as the Small Business Development Corporation was to be established.
This body was to incorporate the KIE and the Rural Industrial Development Programme. The aim of such an organization was to co-ordinate all extension services and research and development as would have been required by small businesses. Such services would include local market research, accounting and other managerial methods. They were also to include product design and manufacturing techniques. The trace of this body shows that it never came off the policy papers.

**Industrial Estates Programme**

This programme, which was set up in 1966 and to be implemented through the KIE agency was to serve both rural and urban areas. The main objectives set for the project were; to facilitate local participation in industry, to create more employment and to promote import substitution at small scale levels. These, the programme was intended to tackle through five strategies:-

(i) financial assistance to entrepreneurs at favourable terms.

(ii) assistance in acquiring facilities such as factory premises.

(iii) technical assistance such as project identification and pre-investment studies.
(iv) assistance in implementation and,
(v) assistance in marketing.

As an assessment of the Industrial Estates Programme, in 1970, it was felt at first that there was great success as was indicated by the dramatic increase in the number of applicants, readiness of foreign donors in providing assistance, and the profit levels depicted in the Nairobi's phase one of the industrial estates.

Later assessment however revealed that the industrial estates were not capable of creating tangible levels of development in the sector as was originally envisaged. Employment levels were low and the provision of all the facilities stated earlier was found to be too expensive. This was partly as a result of high level technology adopted leading to high production costs.

A second approach was then developed whereby it was felt that employment would be more effectively promoted through small industry loans and through rural and informal sector development programmes.

The government strategies was thus far seen to be continuously innovative. It was ultimately found that corporate efforts alone to increase employment through the industrial and
commercial sector could not provide sufficient growth, so as to match the exponentially rising population. Even with the accelerated growth of industrial employment projected for the 1978-83 Plan period, the increase in employment in urban and rural formal sector industry could not cope with the potential labour force which was expected to rise by half a million as opposed to the 80,000 workers this industries would have absorbed.48

The 1974-78 Plan period policies were therefore concluded with a view that the informal sector development could possibly alleviate these economic shortfalls greatly.

1979-83 Development Plan Period

The 1979-83 Development Plan stipulated a number of measures which were to be taken up for the implementation and promotion of small scale industries. These included:49

(i) Massive expansion of KIE services to at least one facility in each of the 33 districts, by the end of the plan period.

(ii) A fund of Ksh.50 million to assist the informal sector enterprises to enable them to take advantages of the facilities
available with the KIE network and other industrial development agencies.

(iii) A programming and Evaluation section within the Ministry of Commerce and Industry to assist the District Development Committees in the preparation of coordinated programmes for small scale and informal sector manufacturing units, which was to go on annually.

(iv) Devolution of Central Tender Boards to Districts so that the small scale enterprises in the various localities could get priority of supplying required goods and services within their areas, and prompt payment of government accounts so as to enable the small entrepreneurs to continue production.

(v) Local authorities to review building and health regulations so that they could clearly distinguish between those activities which are potentially harmful because of unsafe or unhealthy working conditions.

(vi) A wide variety of training programmes such as village polytechnics, management training advisory centres etc, to be offered by the government to small
business entrepreneurs.

(vii) Studies were also to be carried out with respect to the profiles of typical occupations within the informal sector such as plumbing, electricians, blacksmiths, masons and carpenters, which would be used in modifying Government Trade Test Procedures and improve the informal training.

(viii) The government was to promote the establishment of Credit Guarantee Schemes for loans given by commercial banks to small scale enterprises.

(ix) The government was to identify small scale manufacturing activities complementary to existing large scale units, which would subcontract for larger units or manufacture cheaper varieties of consumer items to meet the demand from lower income groups.

(x) Kenya External Trade Authority was to develop programmes to assist handcrafts producers to modify and adopt designs to meet the requirements of the export market.

A trace of each of the points indicates
that they were implemented to some degree except for (v) and (vii). It was however felt that the level to which these programmes have been implemented has been negligible as it was depicted in the Gikomba informal sector area. However, since some of these were long period plans; some are still in the pipeline and others would continue to be implemented.

1984-88 Plan Period

The 1984-88 Plan in regard to the study field states; "emphasis in the field of small and cottage industries is to shift from capital intensive modern industries to skill based industries." Such emphasis is intended to increase the level of employment in the country in whichever category, which is so far seen to have been of significant short fall in the previous plans up to 1983.

The present plan envisages also that a full fledged small industries division will be established in the Ministry of Commerce and Industry to monitor the implementation of small industries development programme and to provide assistance to the industrial extension service in collaboration with the Project Studies Division. (This division has already been set up in the
Industrial Promotion and Research Centre, and is currently undertaking an enumeration of the existing cottage industries in the country so as to have reliable statistical data upon which future plans could be based.)

The 1984-88 Plan also defines what is to be regarded as cottage and small scale industries. This was intended to help planning agencies who may be involved in the promotion of the various sectors to identify their desired group.

Within the plan, it was also decided to reserve a number of items which would be manufactured by the small and cottage industries subsector, such, is seen to be some kind of partial protectionism which is required in order to achieve the development of these industries.

It is also seen that, with the district as the focus for Rural Development strategy, adoption, the problem of industrial dispersion which hitherto had tended to be concentrating industries in particular centres, will be alleviated. The small scale industries was to be taken as priority in District Development Committees Plans which were to greatly improve the identification and implementation of projects in the sector.
It was therefore seen that the government policy lines towards the development of the informal sector and small scale industries had been clearly emphasised in the last four plan periods. It is however noticed that in each plan period, only few of the suggested programmes were implemented, and some to only very insignificant levels. This is clearly demonstrated in the exponential rise in the gap between the employment created and the potential labour force at each period. While it is also seen that the efforts is the development of the informal sector at each level is increasing, the survey at the study area revealed a very negligible governmental concern.

4.2.2 Other Development Efforts

The survey thus far has traced the trend of the various lines through which the development of cottage industries and small scale enterprises has taken in Kenya from the beginning of the century. This section envisages to outline a few other developments seen in the country. Purpporting to bring more government and public awareness to the problems of the informal sector development.
Information Dissemination Seminars

In the mid and late seventies a number of seminars organised by the Institute of Development Studies (IDS) of the University of Nairobi deliberated on the issue of the informal sector and cottage industries development greatly. In these forums the two issues were discussed by professionals, government officials and scholars. These efforts resulted to a large volume of literature on the subject, and also sparked a number of research studies by various scholars, the results of which are now seen as significant awareness by the public.

In a typical seminar entitled, "Small Industries For Self Employment" staged in Nairobi in March 1985, the Plight of the small industrialists in Kenya was discussed at many levels. Issues based in institutional constraints such as low level funds availability, training facilities and legal impediments and standards were looked into. The seminar which drew participants from all District Development Committees in Kenya, Government officials, Non-governmental organizations, parastatal agencies and participants from other Eastern Africa countries and UN agencies, was seen as a major leap in the direction
of knowledge dissemination in the informal sector activities. The seminar consequently recommended, inter alia, that the concerned governments should lay greater emphasis in the field of low technology industries as opposed to automation, easing of inimical regulations and standards, and accommodative urban plans for the sector.

**Appropriate Technology**

The development of Appropriate Technology centres in the country was seen as another positive strategy in the direction of development of simple technologies which could be applied even in poor communities to generate positive employment.

This movement was observed to have gained more strength with the creation of the Appropriate Technology Advisory Committee (ATAC), which has organized a number of small technologies expositions in the country, where demonstrations of simple technologies for self employment are featured. To exemplify, in March 1985, ATAC's efforts were seen in an exposition in Nairobi, demonstrating small scale industrial technologies from India. ATAC has also increased efforts in this direction through the establishment of small Scale Industries Association at National and District levels in the country thus creating a more noticeable operation front, which was observed to have greatly enhanced
local awareness in the informal industries development.

The 8-4-4 Education System

The initiation of the "8-4-4" education system in Kenya is seen as a positive move towards the strategy of creating basic technical training at the low levels of education. In this system, the pupils will be expected to learn some basic technical subjects in their primary level of education. This implies that primary school leavers who will not be able to proceed to secondary school may enter the informal sector cottage industries sector and thereby set up their small workshop units with minimum training. Such, would therefore reduce the imbalances originally experienced by rural peoples, whereby apprenticeship was difficult as there were no adequate industrial activities in the area.

To augment the above system, the emphasis on technical education through village polytechnics and creation of Institutes of Technology in the various districts through Harambee efforts is seen as a further leap towards a more appropriately industrialised environment.
Governmental Association with Other Industrial Societies

Further National efforts towards the development of cottage industries were seen through the association of the Kenya Government with other appropriately industrialised countries where the development of cottage industries in both urban and rural settings, has been greatly achieved.

The Government's association with the Indian Government, where small industries account for upto 55%\(^{51}\) of the total industrial output, has been growing since independence, with even more vigour over the last four years. Such association is seen through a number of visits by Kenya's industrial planners from various sectors, to India, and the exposition of various low technology machinery produced in India in Kenya's exhibitions and shows.

Other forms of associations were also seen in a number of relevant research programmes within the country, which are sponsored by these foreign governments. The Indian government for example has awarded free copying of machinery imported from them to Kenya, if it is felt this would bring faster action in the move towards low technological industrialization.\(^{52}\)
The Indian case is only but one, there are also many more agencies such as NORAD, and SIDA which have contributed a great deal in low technology developments in Kenya.

**Efforts in the Urban Informal Sector**

Efforts in this case were so far seen as concentrating on solving crises. Of great concern for example has been the attempted solutions to the hawking problem in Nairobi. The hawking upheaval which have disturbed the Nairobi City Commission and the Government as a whole have undergone many solution trials.

The city hawkers in 1982 were temporarily allocated an operation area at Ngara in what was then referred to as 'Nyayo Market'. It was disbanded a year later due to other urban planning problems in the area including congestion and traffic control difficulties. The group was then allowed to operate at the nearby Nairobi river belt, where however they did so only during day time and later in the day moved to the city centre where their presence was not allowed. The situation continued to grow worse, with the NCC passing hawkers clearance by-laws one after the other while the hawkers defied them.
In April 1985, the Mwarero Market space at Kariokor was allocated to these group of vegetable hawkers but only few were seen to be operating in the premises. It was therefore observed that attempts like the above were only partial solutions. The informal sector is hence seen to be an ongoing problem, more so in as far as no comprehensive urban planning policies are formulated and implemented to the operators satisfaction.

4.2.3 Development Trends in Other Countries

Tanzania

Efforts have been made through an Act of Parliament to create a central organization namely, Small Industries Development Organization (SIDO), which has been coordinating all the relevant tasks related to the development of cottage and small industries. 53

The work of SIDO was for example to provide all the inputs towards the development and sustainance of nation wide small scale industries in terms of:-

(i) Industrial estates,
(ii) Training Schemes
Marketing assistance.

Provision of model plants,

Regional extension services,

Provision of technical, economic and managerial studies and assistance.

It was however later assessed that the organization had a high work load while funds were not easy to come by to meet all the objectives of the organization as spelt out. A decentralization move was suggested to the government whereby the body would work at regional levels rather than at national levels. 54

Through the decentralised SIDO, a number of workshop clusters were set up where individual operators run their own production units with close supervision by SIDO. Results indicate improvements, despite the slow efforts by individuals by virtue of the country's socialistic approach to economic development.

Japan

The Japanese Government assistance to small scale manufacturers has so far been focused on Small Enterprises Agency of the Ministry of International Trade and Industry; which is
responsible for policy formulation and supervision of programmes. Local city, or preferectual governments are responsible for the execution of the programmes.

This implies that the various local governments will assess the validity of the execution of a particular project and set up its own machinery for the implementation. In this way, local people are given room to participate in their own projects. The Agency only provides guidelines but the frontline contact of the small firm is with the preferectural and the local administration.

The local agencies on the other hand provide managerial and technical guidance, operate special industrial institutes and administers loans for equipment modernization. 55

There are also a number of private consulting offices in Japan which are involved in feasibility studies on very small projects. Such offices are subsidized by the government, and if the projects envisaged are successful, they also get governmental grants to set them off.

With such efforts, the present Japanese small scale industries sector has grown to
employing more than 2.7 million persons, representing 47% of all employment in plants with more than ten persons.  

India

India is one of the developing countries whose trade contributions to the world is only 0.5%. The country has however developed the most comprehensive small scale industries programme, compared to any other developing nation. Today, the country has more than one million small scale industries, producing 3500 varieties of items.

India has so far adopted an industrial growth model in which small scale industries find a very important place. They co-exist with large and medium industries. In addition to the policy support, a network of institutions have been established to provide services to the small scale industries sector, from project identification to marketing levels. Such institutions are at the national state and district levels, thus providing upto grassroots level services.

The small industries are organised through the main organization "National Small Industries Corporation (NSIC) which on the other hand has subsidiaries in all fields. There are marketing assistance agencies, technology, training
and innovation development agencies and funding agencies. The success of the programme is however seen as a result of a very comprehensive policy support at the National level.

The basic approach towards development of small industries as outlined in the Indian Institutional Policy Resolutions and successive five year plans is based on the following premises:

(i) To help in raising levels of earnings and standard of living of a large number of artisans, craftsmen and entrepreneurs.

(ii) To meet a substantial part of the increased demand for consumer goods and some producer goods.

(iii) To create immediate employment opportunities with relatively less investment,

(iv) To facilitate mobilization of resources of capital and skills which may otherwise remain unutilised.

(v) To make small industries export oriented and help quality upgradation and

(vi) To remove regional disparities through deliberate policy and encourage growth in villages and small towns.
The policies have been greatly implemented through such moves as reservation of certain items for purchase by government, from the small industries sector, reservation of certain items for production in the small industries, and through security free hire purchase terms for machinery for small scale industries through the NSIC.

It is therefore observed that the Indian case, has much relevance for the Kenyan environment.

4.2.4 Summary

In the various cases briefly analysed, it is seen that the success of the small industries development is dependent on a comprehensive policy with a proper chain of hierarchy of programme initiation and implementation. The creation of the NSIC in India for example is seen to have happened at levels from, National, state and to district, therefore deconcentrating decision making to the people.

In the Kenyan case, efforts as observed through KIE's Industrial Promotion Areas (IPA) would yield results for example if the IPAs had more powers to initiate and implement projects.
It was also observed in the study that shortfalls in the development of the informal sector and small industries in various economies occurred where no particular authority seems to have been formed to specifically look into the sector development. It was therefore concluded that future efforts in Kenya should be attempted through the creation of a responsible institution for this particular task.
FOOTNOTES AND REFERENCES


54. Ibid.


CHAPTER FIVE

5.1.0 IMPLICATIONS FOR FUTURE DEVELOPMENT

5.1.1 Summary of the Study Findings

The study set out to trace and analyse the state of the informal industries within the urban informal sector in Nairobi's Gikomba Belt Neighbourhood, with a view to appraise the activities within the Kenyan development policy context. To do this, the general informal sector policy in Kenya from around the year 1890 to the present was reviewed so as to assess its role in the development of the informal sector at Gikomba neighbourhood hitherto. In this respect, it was observed that the informal sector in Nairobi in general, with Gikomba as the experimental area, has continued to develop against many odds over the three historic periods viz: the pre-colonial era, the colonial era and the post independence era.

Through the Gikomba case, the study has attempted to analyse the physical and socio-economic state of the industrial activities occurring in the urban informal sector in terms of their environmental suitability, income and employment generation. In all, it was found that there was a significant economic contribution from the total
ensemble of the informal industries both to the individuals and to the urban economy as a whole.

In the historical evolutionary process, it was observed that urban informal activities were a phenomenon attributed to the emergence of colonial rule in Kenya. The growth of these informal activities was then enhanced through policies of racial segregation which were reflected in all sectors of the urban environments. The consequent repercussions of the said racial policies were translated into unfavourable working conditions for the Africans, unequal distribution of economic factors of production and generally low living conditions for the Africans. Consequently, informal economic activities developed at increasing levels to provide subsidiary income to the depressed urban natives.

In the subsequent post-independence era, it was observed that on policy lines, there were few rebates given to the African entrepreneurs in a bid to improve their businesses. The programmes of 'Kenyanization' of commerce and industry and economic freedom for all in the country were seen as significant attempts to elevate the small entrepreneurs but did not quite tangibly elevate the informal business operators. The informal sector operators were therefore observed to have
been left behind, lacking in proper working space, capital and organization. Consequently, squatting in undeveloped land and operations in makeshift structures with very low level technology has been found to have beset the informal sector operators.

The study also indicated that the present political climate has in many ways contributed to the continued existence of the informal sector. At urban planning level, the trend of the operators evictions from one area to the other has been persistent. This has had the implication that operators cannot settle and therefore organise their businesses better.

The study also observed a number of policy initiatives within the government and a number of non-governmental organizations through which the informal sector and cottage industries in general have received significant promotion. The initiatives seen in the central government through such programmes as creation of a cottage industries department in the Ministry of Commerce and Industry, technical oriented basic education structure, and the initiation of a number of technical training programmes for the small scale industrialists were seen as significant positive
moves. On the other hand, the work of the Kenya Industrial Estates (KIE) and the ICDC in the promotion of the small scale entrepreneurs, through a number of programmes since independence were found to be significant initiatives to the development of small enterprises, although in both cases these were not found to have significantly helped the urban informal activities operators due to lack of a clear cut policy, defining responsibilities for each of the organizations, in relation to the informal sector. At the urban planning level, the policy was even more less defined, as no specific department was entrusted with the task of planning for the informal sector. In consequence, the informal sector was found to have grown on its own in any area the participants found suitable, which in effect has made any attempts to plan for this sector even more difficult.

5.2.0 Problems Identified at Gikomba

The identified problems besetting the informal industrial activities at Gikomba study area were found to fall in the following broad categories:—

(i) Problems related to the location of the activities.
Problems related to organization.

Problems related to the functioning of the activities.

5.2.1 Locational Problems

It was revealed that the spread of the informal sector activities at Gikomba has been growing rapidly over the last three decades, and is occurring in uncontrolled form into all areas regardless of the existing use. The specific reasons leading to this activity sprawl were observed to be: lack of suitable specified areas for the operation of the informal activities, existence of conducive infrastructure, existence of unsuitable control regulations, and also due to the existence of undeveloped Government and Nairobi City Commission land in the area. Some degree of political influence was also found to have had tangible effect on the sprawl.

The implications of the above informal activities sprawl in Gikomba were seen to have led into a number of possibilities; viz: the creation of incompatible land use activities in close proximity to each other. Such for example was seen to be the reason for the existence of Muthurwa Primary school close to the Shauri Moyo informal metal work workshops, which generate unbearable noise pollution for the school, and the
juxtaposition of the same industrial activities with the Shauri Moyo residential areas, creating a high degree of environmental pollution and security risks.

On general urban planning, it was also observed that the uncontrolled location of the informal industrial activities at Gikomba implied specific difficulties in the provision of reticulated services (water and sewerage) and infrastructure. In the same connection, it was felt that any improvement in the planned uses of the neighbourhood will affect the operation of the informal industries, which has been the major reason why the informal activities may have not erected better work spaces for their operations.

It was also found that most of the informal activities operated in open workshops, some in congested and insanitary conditions. The reasons for this were observed to be the presence of prohibitive legal controls on land development and difficulties faced by the operators in securing water and sewer connections into land where they hold no titles. The implications of these insanitary working conditions at Gikomba has been continued deterioration of the physical environmental working conditions in the informal
sector areas as the activities continue to increase in number, and the spread of such poor conditions into the planned landuses in the area. In effect, the spatial spread of the informal activities has continued to grow so as to acquire more suitable open spaces where the activities can get better working conditions. This was seen to be the reason for the migration of most of the Jogoo road informal industrial and commercial activities most of which moved from the Nairobi river belt.

It was further revealed that the informal activities were found to grow in pursuit of favourable communication lines. This was attributed to the increased sales obtained through exposure to circulation thoroughfares, as the production and sales were conducted in the same unit in the informal sector industries.

The implications of the above behaviour in the Gikomba area was seen to have produced greatly spread out activity areas along the circulation lines. In effect, this was found to cause crowding of the sector participants around the busy Jogoo road, Landhies road, Pumwani road and Digo roads. Such a crowded condition, it was felt led to a high accident occurrence in these areas.
5.2.2 Organizational Structure Problems

The study revealed that there was no specific institution at Central or Local Government level which was entrusted with the task of organizing and promoting the informal sector as a viable economic sector. The Kenya Industrial Estates, the ICDC and the Cottage Industries Department in the Ministry of Commerce and Industry which are involved in the promotion of small scale enterprises, limited their operations to organised industrial entrepreneurs who already have some capital and land earmarked for intended projects, and, in a number of cases these entrepreneurs will also have project feasibility reports. These prerequisites were found to be missing in the informal sector at Gikomba. The implications of this was that the informal sector operators have had to operate in difficult and unrecognised situations, which in effect has produced business organizational forms in the Gikomba informal sector, which in most cases were found to be inefficient.

It was also established that the continued lack of a recognised institution for organizing the informal sector has been the reason for continued harassment of the informal activity operators in the urban areas by the City commission officials.
without providing any solutions to these activities' needs. In effect, the informal sector operations have had to suffer significant social and economic degradation, and they therefore continue to operate their activities in illegitimate conditions. This lack of recognition was found to be the major obstacle to the identification of the informal sector as a viable officially accountable sector of the economy.

The study also revealed that the operations of the informal sector are highly fragmented. Majority of the establishments were run on individual basis, whereby the purchasing, production and marketing in most cases were done by the same person, and also within the same premises. The implications of this type of organization was that significant inefficiency resulted. This occurred especially when work premises were to be closed periodically to allow the operator to attend to purchasing, or sales outside the work place. In effect the enterprises were observed to conduct business limited to their areas of operation, which was found to limit the market to a great degree.
5.2.3 Functional Problems

The functional components of the informal industries at Gikomba as analysed was the production and marketing of goods and services of reasonable quality at affordable rates for the lower income groups in Nairobi. It was revealed that the informal sector industries at Gikomba experienced low production rates. This was because of lack of adequate supplies of inputs, lack of storage facilities and low technology levels generally.

The input shortage problem in the informal industries was found to be as a result of lack of adequate capital, constraints in the formal sector supply market, and also due to lack of sufficient storage facilities at the informal industries.

The implication of the continued lack of adequate suppliers of inputs were observed to be wastage of time in looking for materials at piecemeal levels and frequent workshop closures creating production discontinuity. The continued in adequate supplies of inputs was also found to be one of the reasons why the informal industries could not undertake major production tenders, where advance payments for goods before supply were not offered. This in effect meant that the informal industries could not compete favourably in the
production market with the formal industries.

The low level technology problems experienced by informal industries at Gikomba were observed to be as a result of lack of sufficient research on appropriate technology for the small industries, and also due to lack of 'pool mechanised workshops' where the small industrialists could hire simple machines for use at reasonable rates. This therefore implied that the Gikomba informal industries continued to produce relatively simple goods and at low speeds. On the other hand, industries wishing to mechanise their workshops needed to have substantial sums of money to buy each of the machines required, most of which (machines) will be working at low capacities.

On marketing, individual retail sales was observed to be the major mode. The major reason for this was that there was no centralised sales system for many of the Gikomba informal sector industries products, where goods could be priced and sold at comparable prices. The implication of this was that prices of similar items were fairly varied, with each enterprise trying to undercut the other, so as to create a territory of customers. Effectively, this was observed to lead to low labour charges which implied that
workers in the industries could only, then, manage with low incomes.

5.3.0 Recommendations for Gikomba

In the light of the identified problems at the Gikomba study area, the following recommendations are suggested as an attempt to improve the state of the informal industries.

5.3.1 Location of the Informal Activities

It was revealed that the informal activities at Gikomba were growing sporadically and merging into other activities without any tangible control measures. It was therefore recommended that the activities be replanned within some specific zones of the Gikomba area so as to be more environmentally acceptable.

The spatial reorganization of the activities at Gikomba will need as a prerequisite the designation of some of the undeveloped Government and Nairobi City Commission land in the area as space for informal activities operation. The designation of the land will be done by the Commissioner of Lands and the Nairobi City Commission.

It was therefore recommended that the Government land along the Nairobi river and the City
Commission land within the same precincts be set aside for the said informal activities development.

Also, as a prerequisite to the development of the informal activities in the said designated land, the issue of the ensuing land ownership will need to be resolved. This will be necessary so as to specify ownership conditions and tenure and also streamline any possible selling conditions.

It was therefore recommended that the designated informal sector land be demarcated as 'special enterprises land', be subdivided and leased to the informal sector operators at renewable leases of say 5 years. This could be done by the Nairobi City Commission. It is expected that the above lease system will offer the developer some security of tenure and he will therefore be able to plan his operations rather than doing it on ad hoc basis as it happened at the squatted land.

It is also recommended that once the special enterprises land had been designed, the informal activities be reorganized in such a manner that as much as possible compatible uses be grouped for improved servicing and environmental conditions.
It was also recommended that in the development of the structures, the plans will need to provide adequate storage space for raw materials and the finished products; and also provide optimum working space for the particular activity. This could be provided for each individual establishment. It is expected that provision of adequate storage space will enhance the establishments' continued production due to longer stock holding periods. This will also increase the productive capacity of the informal industries.

It is also recommended that in order to avoid repeated provision of show space and sales units, groups of centralised showrooms cum-sales rooms be provided at strategic nodal points where the individual firms will collectively market their products. It is expected that this will enhance better disposition of the sales units to avoid the experienced ribbon developments of the activities along communication lines. In effect, the various activity operation spaces will attain similar land values due to decreased competition for 'front shops'.

It was revealed also that the sprawl of informal activities at Gikomba was related to the existence of conducive services and infrastructure at specific areas. It is therefore recommended that
in the 'special enterprise zones', optimum water, sanitation and telecommunication lines be provided at strategic points such that the informal activities operators will have increased accessibility to these facilities. Water may be provided at communal points at say rates of one tap for ten enterprises, and situated at precincts of these enterprises workshops. Other activities which require increased use of the water will need to be supplied with individual connections.

Sanitation reticulation will need to be done in such a manner that it does not pollute the Nairobi river, and connection points should be planned that a minimum number of establishments share the sanitary facilities. The various identified groups to share the facilities will then be required to build a toilet unit of suitable specifications, which they will then be given charge of looking after.

On the other hand, telephones should be provided at public call boxes located in the special enterprises zone, at nodal points where both the customers and the activities operators will be able to use them. However, individuals interested in having individual telephone line connections should be encouraged and supplied with.
It is also recommended that electricity be made available for connection to the individual establishments. It is therefore necessary that the special enterprises zone be adequately supplied with reticulated power lines of both domestic and light industries voltage.

The Nairobi river courseway was observed to be a major aspect in the development of informal activities at Gikomba. So as to adapt the river as part of the attractive features of the special enterprises zone, it was recommended that the river be developed into a recreation feature rather than as a damping pit for effluent. This will require the control of flood levels of the river by walling the banks with stone boulders and surfacing the river bed with wear resistant materials. The space next to the banks will then be landscaped into recreation resorts. It is expected that the ensuing environment will improve the peoples' attitude towards environmental pollution control and thus eliminate unsightly views at the Gikomba river belt. The financial implications of this will however need to be weighed against the anticipated benefits, which was beyond the scope of this study.
Another objection made was that there existed a number of land development control regulations which were found to inhibit the physical development of informal industries at Gikomba. It was therefore recommended that these regulations be reviewed so as to offer equitable conditions for the informal sector development. In the recommended 'special enterprises zones', it is recommended that a subsidy be offered on land development rates, easing of lease regulations and lowering the factory health and welfare requirements. It is expected that this recommendation will further increase the attractiveness of informal operators to the proposed special enterprises zones, which in effect will lead to the general containment of informal activities spread in the urban areas.

With the above recommendations, it is expected that the 'special enterprises zones', will in locational terms lead to more attractive informal activities zones, thus greatly controlling the sprawl of informal activities at Gikomba and the Nairobi urban area to some extent.

Institutional Organization of the Informal Activities

The study revealed that the informal
sector activities organization was currently difficult as there was no specific institution entrusted with the task of undertaking the said informal sector organization. It was therefore recommended that a National institution be set up at parastatal level which will take charge of promoting the entire informal sector activities in the country. It was also recommended that the proposed institution be organised at National, Regional and District levels so that its working will be more decentralised and therefore closer to the activity areas. The institution will then be further decentralised into departments which will undertake the promotion of informal sector at urban and rural areas.

It was recommended further that in order for the proposed institution not to duplicate the work of the Kenya Industrial Estates and ICDC, the new institution should concentrate on the informal sector activities entirely, with the specific task of organizing these into groups such as co-operatives or associations, rather than the development of individual enterprises.

It was anticipated that the creation of the informal sector activities promotion institution will greatly improve the organizational
methods of the sector in terms of production, marketing and general business education generally. This in effect was anticipated to increase the efficiency of the operations of the informal sector.

As an alternative to the recommendation of creating a new institution for running the affairs of the informal sector development in the country, it is recommended that the existing institutions dealing in small scale enterprises and industrial development in general should be reorganised to cater for the informal sector activities too. This recommendation is based on the premise that, once the informal activities are reorganised and tangibly promoted through spatial and financial provision, they will eventually grow and merge to form major industrial corporations. It is therefore felt that it is only the initial stages of the reorganization of the informal activities which need a special type of approach, but thereafter, the emergent activities can be planned and operated along the same lines with other formal enterprises.

It is therefore recommended that a department be created in the Kenya Industrial Estates (KIE) which will have as its main concern the reorganization of the informal sector activities to such a level that the emergent activities could thereafter be run through the formal institutions
existing. Within this recommendation, it is also suggested that the government devote more funds into the informal sector development through the reorganized KIE. This way, it is anticipated that the institution could be able to support a wider field of activities nationally.

It is suggested that under the present KIE organizational structure, the suggested informal sector department could be in the same level as the existing major departments viz: Technical and Projects, Regional and Extension Services, Legal and Personnel and Finance departments. The informal sector department could also be linked to the presently existing Rural Industrial Development Centres (RIDE) and the Industrial Promotion Area (IPA) units, which form the main extension services of KIE presently. Where RIDE and IPA do not exist, new units would need to be set up at least in every District Centre. Decentralization so that the improved KIE informal sector departments work within the District Development Committees would greatly enhance the trickle down of funds and personnel to rural areas, which in effect will curb the rural to urban migrations in search of employment to some degree.
Fig. 5  Reorganised Kenya Industrial Estates Organization Structure. The informal sector department is included.
a. Improved informal industry premises. Undugu Society workshops.

b. Maridadi Fabrics factory.
In the study, it was also found that the operations of the informal industries at Gikomba were highly fragmented, and performing a lot of duplications in their operations. It was therefore recommended that informal industries at Gikomba be reorganized into co-operative units and business associations so as to enhance agglomeration effects in production and marketing. This was observed to have succeeded in the Nairobi Wood Carvers Co-operative Society and the Nairobi Organised Mechanics Association, both operating at Gikomba.

The task of organizing the fragmented establishments will be performed by the proposed informal sector organization or the KIE informal sector department. It is expected that the co-operative units will perform the marketing operations while the individual establishments concentrate on the production.

Also, it was felt that the co-operatives will be able to procure credit for the informal activities from the co-operative Bank of Kenya; which will improve the operational capital capabilities of the informal sector. At the same time, the co-operatives system could lead to improved services to the individual informal industries in terms of procurement of tenders for
supplies to government departments and also possibly offer credit in terms of materials to the individual units.

It was also felt that the proposed aggregated methods of operation for the informal industries will finally lead to creation of giant small scale industries which could then compete with the formal industries. This could then hypothetically lead to total industrialization of the economy and greater employment scope.

Functioning of the Informal Activities

It was revealed that the informal industries at Gikomba experienced low production rates as a result of lack of inputs and low technology levels. It was therefore recommended that the production rates of these industries be increased.

To increase inputs, it was recommended that more storage facilities be provided, and also capital levels be increased generally. Increased storage facilities was to occur at planning levels, when provisions for informal industries are being provided. This will also require security, in which case, it was found to be part of the physical recommendations for Gikomba. Increased capital implied need for credit facilities for the informal
industries. It was therefore observed that provisions need to be made at governmental level through the proposed institution for informal sector development, to offer credit terms to the informal industries operators. The implications of this recommendation is that the informal industries will be able to improve their production levels.

Low technology was observed to be as a result of inappropriate technology for small industrial sectors and due to lack of 'machine hiring' facilities in Gikomba informal industries. It was therefore recommended that the government intensify research efforts into the small scale industries technologies. Such research will also include the need for proper shopping abroad for machinery. Simple machines which could be duplicated by the small scale industries will be encouraged, rather than concentrating research effort into discovery and invention only. It is expected that if the duplication method is adopted, many informal industrialists will be able to manufacture simple machines for their use.

It is also recommended that a system be set up, whereby 'pools' of mechanised workshops will be set up in the informal sector industries areas where the industrialists can hire machines at
reasonable rates for use. This was seen in the Kenya Industrial Estates Rural Industrial Development Centres, but these machines were limited and the centres were not widespread. Existence of 'pool' system of workshops will effectively mean that even small industries would be able to perform intricate jobs with the use of hired machinery, as purchase of the machines will not be possible for the informal industrialists. This would also be effected within the proposed informal sector development institution; and should be seen as a short term operation, preceeding increased machinization of the informal industries.

In summary, it was observed that the major recommendations of the study on the informal sector development at Gikomba centred on, the creation and planning of a 'special enterprises zone' where the informal activities could be operated, and provision of optimum infrastructure and services for the informal activities within the said 'special enterprises zone'.

It was also recommended that in order for the informal sector activities to be reorganised and promoted nationally, an informal
sector development institution be created, which will then organise the activities into more efficient production units in terms of co-operatives and business associations, or the KIE be reorganised to contain departments which will perform the informal sector reorganization and promotion tasks.

5.4.0 **Proposed Structure Plan For Gikomba Informal Sector Zone.**

In the light of the recommendations made in the foregoing, the following structure plan is proposed for the future Gikomba Informal Activities Zone.

**Stage 1. Designation of Land for Informal Activities.**

Map No.11 shows the land proposed for designation for the informal sector enterprises. This land presently forms idle Government land, NCC land and the Nairobi river reserve. A total of 22 hectares was designated.

It is proposed that the land be subdivided into units varying in size from 50 to 150 m² and be allocated to informal co-operative groups or business associations for informal activities development.
GIKOMBA BELT NEIGHBOURHOOD, NAIROBI
DESERGNATED LAND FOR INFORMAL SECTOR ACTIVITIES
Stage 2. Riverbed Realignment and Embankment

It is proposed that the river banks be embanked so that flood lines are controlled. The embankment to be done in decorative stone boulders so that the river becomes an attractive landscape feature of the area.

It is also proposed that sufficient open landscaped spaces be provided along the river belt in order to produce a more attractive environment.

Frequent footpath bridging across the river will be used to make pedestrian movement along the river part of the landscaping.

It is also proposed that part of the river belt landscaping should include sitting alcoves at nodal points, and such places be provided with basic public services. This in effect will enhance improved environmental conditions in the area.

These proposals are shown on map number 12.

Stage 3. Disposition of Activities and Services in the area.

The proposed disposition of activities and trunk services are shown on map number 13.
The criteria considered in the location of the activities are environmental and economic compatibility. Agglomeration of similar activities is also considered so as to make the utilization of common facilities feasible.

It is also proposed that combined showrooms and sales spaces be adopted for appropriate activities so as to increase efficiency and price levels.

The major mode of circulation within the informal enterprise zone is pedestrian walks, however activities which need vehicular access are provided with limited or shared parking lots.

It is also proposed that utilities be provided on communal level, but enterprises seeking individual services be considered and provided where possible, at extra charges.

Services to be provided include electricity, telephone lines, sewerage, water, drainage and garbage collection. These services to be provided by the appropriate supply bodies through the informal sector co-operatives. Map 13 illustrates the proposed trunk connections for the services.
Stage 4. Proposed Organizational Structure.

It is proposed that the future Gikomba Informal Enterprises zone be organized into co-operatives and business associations through the recommended informal sector department in KIE or the proposed informal sector organization institution. However, production should as much as possible be operated in individual workshops so as to enhance the spirit of private enterprising in the sector.

Marketing will be done through communal co-operative showrooms, located at strategic nodal points.

It is also proposed that in order to effect the plan, the Government devote more funds into the informal sector through the proposed co-operatives and KIE. This is anticipated to reactivate economic activity in the informal enterprise zones.

It is also proposed that the informal industries be protected in production and marketing, by the Government so that they can be able to grow and thus compete with the formal industries.
Figure 5 shows a proposed model for the organization structure of the informal sector enterprises in Gikomba.

Summary.

It is anticipated that with more localised planning of the 'Informal Sector Enterprises Zones,' improved operation of the activities will be realized at Gikomba Belt Neighbourhood and the urban areas of Kenya at large. Each case must however be analysed in its own merit so that appropriate planning is effected. However points noted in the earlier made recommendations will form an ideal reference base in future proposals.
Fig. 6. Proposed Model for the Organization Structure of Informal Sector Development.
CHAPTER VI

6.1.0 SUMMARY AND CONCLUSIONS

The study set out to trace the development position of the urban informal activities in the Nairobi urban setting. This has been done through the Gikomba Belt Neighbourhood case study.

The general background to the evolution of the informal sector activities was traced from the pre-colonial era to the present. The study observed the major causative factors to the evolution of the informal activities to be political, socio-economic and legal in nature. Policies adopted in industrial development and urban planning in Kenya were also found to be significant contributors to the unfavourable conditions in the informal sector development.

In the Gikomba case study, the study specifically set to find out the reasons for the continued haphazard growth of the informal sector and propose favourable guidelines which could effect improvement in the sector. The problems besetting the informal sector activities in general were found to be related to lack of proper operation space for the activities, unfavourable institutional organization and problems related to the activities'
operation, mainly due to lack of funds.

The major causes in each case were observed to emanate from unfavourable policies, which was attributed to lack of an accountable institution for these informal activities.

The study recommended inter alia that to effect positive change in the future development of the informal sector at Gikomba, favourable policy action will need to be taken at national, regional and local levels. The proposal for establishment of a national organization to further improvement in the sector. It was alternatively recommended that policy could be drawn such that the existing closely associated bodies such as the Kenya Industrial Estates could be strengthened and moulded to cater for the informal sector development.

It was also recommended that measures for informal sector improvement be addressed in urban planning policy to allow for development of 'Special Enterprises Zones' to cater for informal sector development. This will entail designation of land for the provision of these zones and adoption of favourable regulatory controls in these zones to favour the informal sector conditions.

In order to improve the management, financing and marketing in the informal sector,
it was recommended that the co-operative system be adopted and general advisory management be provided through the recommended informal sector development institutions. However, to effect any accelerated development in the sector, it was recommended that the Government should increase funds for the development of the sector through the proposed co-operative units.

Finally, it was observed that the study could not be concluded justly without a demonstration on how the recommendations could be applicable in the urban planning environment. A proposal for a structure plan for Gikomba therefore forms the conclusive part of the study.

It is however observed that the study is not exhaustive in all areas related to the subject. Areas which will need further research include studies on the economic implications of the proposed 'Special Enterprises Zones' for informal sector development in urban planning, the linkages between informal sector industries and the formal industries, and appropriate standards for informal sector products and the ensuing marketing implications, in order to attain a larger scope of the study.
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Appendix 1

Department of Urban and Regional Planning
University of Nairobi.

Field Survey Questionnaire.


Questionnaire No. _______ Zone _______

1. Name of respondent _______ Age ___ Sex ___
   Name of enterprise _______
   Ethnic background of respondent ____.

2. Household size of respondent ___ Males and ages ___ females and ages ___ Occupation of household members ____

3. Nature of business ____ Number of proprietors ____ Position of respondent in proprietorship ____

4. What is the origin of your business? ____
   Where did you first establish your business? ____

5. Why did you move your business to the present site? ____

6. Where do you reside? ____

7. What is the present size of your business? ____
   No. of employees ____ Turnover per month, Kshs. ____
8. What is your relationship with other businesses outside? ______
Which companies do you deal with for supplies ________ For sales ________
Specify where your major market is located ______
______________ on site ________ elsewhere ______

9. Does any Governmental, Parastatal or Non-governmental Organization buy your product? ______
If so, specify ______

10. Do you have any assistance from KIE ________
ICDC ________ or any other industrial credit finance organization? ______
If yes, specify ______

11. Do you sell any of your products outside Kenya? ________ If yes, which ones ______

12. Do you sell any of your products through a Co-operative Society? ________
If yes, specify which ones ________

13. Does your firm have any apprenticeship training programme for workers? How many (if yes) ________ What are their wages while in training ________ When out of training ______

14. Can you please tell me how you acquired your skills in what you are doing ______
15. In order for you to engage employees, what level of skill do you require of them?  

16. What difficulties does your firm have in securing inputs ____  Transport ________  
Capital ________ Storage ________  
or other (specify) ________________________  

17. What difficulties do you encounter in selling your products? ____________ distance from market _____ quality complaints ________  
market limitation ________ or lack of diversification of products ____________________  

18. Lack of capital is a major problem in the operation of small businesses; would you say you have the same problem? ______ If yes, would you say the problem lies in lack of credit facilities __________ Management of funds _________  
or lack of further investment knowledge ______ or other reasons, specify ____________________  

19. What constraints did you incur in locating your business?  Land availability ____________  
Town Planning Regulations _______ ___  
Public Health Regulations ________________  
Land tenure _______ Distance from your residence ___________ or other (specify) _______  

20. What difficulties do you incur in running your business? _________ Management ___________  
Capital ________ Land Regulations _________
21. Your firm premises have different types of business activities, which are they? _______
Which ones would you say are the major activities? _______________

22. What type of shade does the business operate in? Permanent or temporary _____________
specify materials use for structure ____________
roof covering ____________ walls _____________
If shade is temporary why is it in that state? ________________

23. In your opinion, what physical features contribute to the nature and location of businesses at Gikomba? _______ Land
Land availability _______ Land type _______
Vehicular access _______ Pedestrian
thoroughfare _______ Bus stage or station ____
Car parking for customers _______ Bridge ______
River _______ Hot sun _______ cold weather ___
or other specify ________________

24. What infrastructureal services do you have on site? _____________ Piped water _______
Railway line _________ Telephone service ______
Electricity ____________ Surface drainage ______
Sewage connection _____________ Road access ___
Pedestrian/cart access __________________
25. If any of the above services are not available on site, how do you obtain them or use them?

____________ Specify for water ____________

Power ________ Telephone ______________

Sewage disposal ________________ Vehicular and pedestrian access ____________

26. In your opinion, what do you consider to be the major limitations to development of business within your sector _______________________

How do you try to normally overcome these limitations? ________________________

What other ways do you suggest could be used to overcome or solve these problems? __________

______________________________