

**A 24-Hour Nairobi City Economy?
Opportunities and challenges**
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Introduction

Nairobi is probably one of the largest and best-known cosmopolitan African capital cities. Nairobi was first established in 1899 as a transportation and administrative centre, which later grew to become the capital of Kenya and a city. It is by far the smallest administrative province in Kenya, but also the most important in terms of employment, socio-economic activities and functions it performs. Apart from being the capital city of Kenya, it is the largest urban centre in the country, a regional hub in East and Central Africa, as well as the headquarters for many international and regional organizations, institutions and companies.

Given the importance of Nairobi not only in Kenya but also regionally, sustainable and inclusive city governance is a key component in its future growth and development. As urbanization is inevitable, the main challenge is how to cope with rapid urban growth and how to prepare for the future. As such, any urban development and management policy should aim at guiding the urbanization process by reducing the risks and maximizing the opportunities. One of the opportunities that exist is making the city of Nairobi a 24-hour economy.

This chapter explores the opportunities and challenges towards realizing a 24-hour city economy in Nairobi. The discussion is however limited by the fact that the 24-hour city economy in sub-Saharan Africa is a complex subject, and one on which there is still little published (empirical) information. The chapter is divided into three parts. The first part discusses the realities and fictions of a 24-hour economy. While the second part explores the opportunities that exist for Nairobi to becoming a 24-hour city economy, the last part discussed the challenges that the city might face in achieving the same.

The 24-hour city economy: realities and fictions

The 24-hour city is the one which never sleeps. In addition to its day-time economy, it should have a flourishing and a growing amount of night-time activities. As such, the 24-hour city economy is a fundamental part of the urban renaissance because it extends the vitality of a city beyond normal working hours, making them more attractive places to live. However, in sub-Saharan Africa, the 24-hour city economy is a relatively new approach towards revitalizing city centres. They are influenced by cities in continental Europe that are inherently 24 hour, for example London, Manchester, Leeds, Nottingham and Amsterdam.

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While the move towards a 24-hour city economy certainly bring with it potential challenges, it also brings huge opportunities – including opportunities for those who do not necessarily do well in the traditional economy, as well as opportunities for employment, convenience, flexibility, enjoyment and excitement for many city residents. A 24-hour city economy implies more job opportunities because more people will be needed to work in shifts and on part-time basis. In addition, many more employment opportunities will be created indirectly through forward and backward linkages effect.

A Nairobi city resident's comment about Nakumatt's 24-hour supermarket

Good news all round, and especially for those like me whose job demand that they stay up long hours. This new solution allows nocturnal shoppers a quick and hustle free shopping service, especially with the empty aisles and the absence of queues at the checkout counters. I really like that I am able to shop efficiently. For me that means, especially after a tiring work day, that I can shop in peace (and faster)

Source: www.kenyaimagine.com (accessed on 18 September 2009).

In a 24-hour city economy, industries and factories working at night (on shifts) may reduce the strain on electricity consumption during the day and the pressure on the national grid. Equally, traffic congestion in the city could be reduced considerably. It will be convenient not only for some citizens but also for servicing activities and deliveries which are best done out of hours.

A 24-hour city economy is capable of generating income not only to the city (local authorities) but also to the national economy. Income can be generated through increased licensing of night activities, parking fees and other forms of taxes. Lastly, as many cities become global business centres, a 24-hour city economy will facilitate business to be transacted with other parts of the world during their normal business hours.

While a 24-hour city economy can extend the vitality of a city beyond normal working hours, night time is more often than not associated with crime, immorality and illegal activities, which may not necessarily be the case. For example, if one sells vehicles at night, the vehicles may be easily branded as stolen because of the perception that genuine goods are only sold in broad day light. Night life has also been seen as dominated by the youth drinking and clubbing culture, leisure and entertainment. This is of course what is visible in the central business district and in the residential neighbourhoods yet there are many other economic activities that take place at night.

Contrary to what people believe that there is not enough market for goods and services at night, one will always find customers in 24-hour outlets. In Kenya, for example, the 24-hour supermarkets² have recorded as much business during the night as they have during the day, especially during weekends and the end of the month. The booming business of street and pavement hawkers and traders is easily noticeable at night. The same applies to the *matatus*³ which operate through out the night. Although they may

² For example, the Nakumatt chain of supermarkets.

³ (Informal) public transport taxis.

charge relatively higher than normal, they will always get filled with customers any time of the night. The demand for public transport at night may be even higher than what is currently experienced.

With increased unemployment and multiple sourcing of income, a 24-hour city economy provides an opportunity for additional employment and engagement in income-generating activities. The argument that there not enough employees to work at night is not sustainable since one can employ part time workers or employees can work in shifts as long as labour laws are strictly followed. The same principle applies to the popularly quoted official working hours (8am-5pm, with a lunch break). In a 24-hour city economy, it is the number of hours and not necessarily the time of work that matter.

As much as safety is a key concern towards a 24-hour city economy, it is an area which can be improved through improved governance and enhanced security measures. Whereas it is true that insecurity will definitely not attract people to the city at night, fear of insecurity should not deter people to engage in income and livelihood generating activities at night. The role of the central and city governments is to provide a conducive and secure environment for investment and working at all times.

Opportunities to turn Nairobi into a 24-hour city economy

There are various opportunities that exist for Nairobi to turn into a 24-hour city economy. These opportunities can be discussed within the context of Nairobi's continued growth; its role in the global, regional, national and local economy; its vision for a world class city; and the current night life the city is already experiencing.

The continued growth of Nairobi

Nairobi's population, dominance and importance have grown steadily since independence and will continue to do so. The present administrative boundary covers an area of 686 square kilometres expanding from 3.84 kilometres in 1910. According to the 1999 Kenyan population census, Nairobi had 2,143,254 inhabitants representing about 38% of the total urban population in Kenya, with an annual growth rate of 4.8% (Bocquier et al 2009). The population of Nairobi is currently estimated to be 3.36 million inhabitants (UN-HABITAT 2008).

Table 1 presents a summary of the population growth trends in Nairobi over time within the national context. At the time of Kenya's first population census in 1948, there were 17 urban centres with an aggregate population of 285,000 people. The urban population was proportionately small (5.2% of the total) but disproportionately concentrated in Nairobi and Mombasa (41.2% and 32.2% of the total urban population, respectively) (Owuor 2006).

By 1979, the overall level of urbanization had risen to 15.1% with 91 urban centres and an urban population of 2.3 million. Nairobi and Mombasa accounted for 51% of the total urban population: Nairobi (35.7%) and Mombasa (15.3%). In 1999, about 20% of the population lived in urban areas, of which more than half were in Nairobi, Mombassa,

Nakuru and Kisumu. As the urban growth rate reduced further to 3.4%, the number of urban centres increased to 179.

Table 1: Trends of urbanization in Kenya and Nairobi (1948-1999)

Year	Kenya popn ('000)	No of urban centres	Urban popn ('000)	% urban	Urban growth rate	Nairobi popn ('000)	Nairobi growth rate	Nairobi % of total urban popn
1948	5,406	17	285	5.2	-	119	-	41.7
1962	8,636	34	671	7.8	6.3	227	4.6	33.8
1969	10,943	47	1,076	9.9	7.1	506	12.2	47.0
1979	15,334	91	2,314	15.1	7.7	828	4.9	35.7
1989	21,444	139	3,864	18.0	5.2	1,325	4.7	34.1
1999	28,159	179	5,429	19.3	3.4	2,083	4.5	38.4

Source: Compiled from the 1948, 1962, 1969, 1979, 1989 and 1999 Kenya Population Census Reports.

Whereas in the past rural-to-urban migration was the major contributor to the urban growth of Nairobi, natural growth⁴ and in-situ urbanization⁵, are increasingly becoming important factors. The continued growth of Nairobi is associated with increasing urban poverty and unemployment. As such many urban dwellers are engaged in multiple sources of income.

The role Nairobi in the global, regional, national and local economy

Cities are traditionally considered as engines of modernization, industrialization, economic growth and development. Nairobi plays an important role in the global, regional, national and local economy. At the global level, Nairobi is home and headquarters for many international (as well as regional) organizations, institutions and companies. For example, Nairobi is the headquarters of two United Nations agencies: the United Nations Environment Programme (UNEP) and the United Nations Centre for Human Settlements (UN-HABITAT).

The city also houses regional offices of other United Nations organizations such as United Nations Development Programme (UNDP), UNICEF and United Nations Centre for Regional Development (UNCRD). The city also hosts international banks and financial institutions, multi-national corporations and international research institutions.

In addition to hosting a wide range of regional organizations, institutions and companies, Nairobi plays a significant role in the socio-economic and political dynamics in the region. It is an established regional hub for transport, communications, business, trade, commerce, tourism and conferences. In terms of transport, Nairobi is gateway to most destinations in Africa, Europe and other parts of the world. The Jomo Kenyatta International Airport connects Nairobi to other parts of the world. This is evident by the many daily direct and connecting flights of various national carriers of the world.

⁴ That is, more urban births than deaths.

⁵ That is, the absorption of rural and peri-urban settlements in the spatial growth of a larger adjacent city.

Locally, Nairobi is the capital city of Kenya as well as the seat of the government. Besides being the largest urban centre in the country with a larger proportion of the urban population, it is the biggest commercial, financial and industrial centre in Kenya. As such, Nairobi generates over 45% of GDP for the Kenyan economy and employs 25% of Kenyans and 43% of the country's urban workers (UN-HABITAT 2006). The city, therefore, sets the pace and trends of development for other parts of the country.

Being a capital city, Nairobi will continue to influence the country, especially its immediate catchment areas and districts. Specifically affected are Athi River, Ongata Rongai, Ngong, Ruiru, Thika, Limuru, Kiambu, Kitengela and Kiserian, which are today functionally part of Nairobi city and add 20% more to the province's population (Bocquier et al 2009).

Nairobi's vision for a world class city

Responding to urban growth projections and in an attempt to address current and future challenges, the Government of Kenya has prepared an ambitious Nairobi Metro 2030 vision to spatially redefine the Nairobi metropolitan region⁶ and create a world class city region envisaged to generate sustainable wealth and quality of life for its residents, investors and visitors. The vision's implementation falls under the responsibilities of the newly established Ministry of Nairobi Metropolitan Development (Ministry of Nairobi Metropolitan Development 2008).

The vision is to create the best managed metropolis in Africa, providing a dynamic and internationally competitive and inclusive economy supported by world class infrastructure and a skilled labour force. Based on the core values of innovation, enterprise, sustainability, co-responsibility, self-help and excellence, the strategy is to optimize the role of the Nairobi metropolitan region in national development by building on existing strengths, including Nairobi's hub function in air transportation, the large number of regional and international bodies already present, and its educational and research institutions.

When the Ministry of Nairobi Metropolitan Development was created in 2008, the first minister in-charge was very enthusiastic about propelling Nairobi to be a 24-hour city. The same vision is shared by the Nairobi Central Business District Association (NCBDA)⁷, but who are instead advocating for a 25-hour city!⁸ As a first step towards the evolution of Nairobi into a 24-hour city economy, a 27-member committee was constituted in the same year to deliberate and strategize on how to achieve a night-time economy. The committee was created by the National Economic and Social Council

⁶ The proposed Nairobi metropolitan area covers the 3,000 square kilometres that depend on Nairobi's regional core functions for employment and social facilities. Planning will initially involve a 40 kilometre radius, despite Nairobi's functional outreach covering 100 kilometre or more. Apart from Nairobi municipality itself, the Nairobi metropolitan vision affects 12 adjacent independent local authorities.

⁷ NCBDA is business and professionals association that came into being in 1997, out of necessity and over the years has become a household name in Kenya.

⁸ NCBDA vision for Nairobi is "The 25-hour city economy, the choice of Africa, clean, safe, secure and vibrant. NCBDA's core values are safety, cleanliness, vibrancy, dignity, ownership by all and opportunities by all (Nabutola 2008).

(NESC) under the Vision 2030 of Kenya. The committee members are drawn from various relevant government ministries and other stakeholders.

Nairobi city at night is already a mix of night life and night economy

There is no doubt that Nairobi has the potential of being a 24-hour city economy. A drive around the city at night gives one an impression that Nairobi is a buzz of activities. The *night life* is evident by the numerous and vibrant leisure and entertainment activities not only in the central business district but also in the residential neighbourhoods – regardless of their income status.

The *night economy*, although hardly noticed, is driven by the industrial night shift working, hospitals, security companies, the police, entertainment spots, hotels, call centres, taxi drivers, banks (through the ATM machines) and most recently the supermarkets. There is need to see more sectors of the urban economy working in shifts at night, not to compete but to compliment each other.

The challenges of a 24-hour Nairobi city economy

The 24-hour city economy raises a wide range of policy issues and challenges. However, the most important challenge is to find ways of encouraging and enabling its positive aspects while regulating and limiting its problems. Some of the policy issues and challenges that need to be addressed in Nairobi include security; mobility; inclusiveness; change of behaviour and attitude; city by-laws, labour laws and ethical issues; investment in supportive infrastructure; and the role of all stakeholders.

Security

There is no doubt that a successful 24-hour city economy first and foremost needs a secure environment. Insecurity will definitely not attract people to the city at night as it is currently happening in Nairobi. There is need for increased police presence and patrols, including a reduction in perception and fear of crime at night from the city residents. Installation of CCTV cameras at strategic places, lighting of the city and rapid response to crimes and criminal activities will attract a wider cross-section of people into the city at night. As said before, the role of the central government and Nairobi city council is to provide a conducive environment for investment and working at all times and regardless of whether it is day or night.

Mobility

Besides security, a successful 24-city economy also needs an efficient and reliable public transport system. Spatial interaction and flow of people, goods and services at night can only be achieved if transport is available. While the *matatus* are currently doing it in Nairobi, they sometimes charge the commuters higher than normal. The taxis which are available throughout the night are even more expensive. The provision of an efficient and reliable public transport should also include security – not only for the commuters but also for the transport operators. In addition, the roads and pedestrian walks should be well lit and secure.

Inclusiveness

What is the value of a 24-hour Nairobi economy to the majority of the city residents, especially to the poor, women and the old? As much as Nairobi may be described as more inclusive during the day – the same should be replicated at night. There is no reason why a 24-hour city economy cannot be more inclusive. Night activities should not only focus on entertainment, consumption of alcohol, and exclusively targeted at the young. A 24-hour city economy concept represents little more than a “late-night pub/club drinking and dancing culture dominated by young people”.

In addition, all citizens should be given a chance to participate in a 24-hour Nairobi economy. The hawkers, including street and pavement traders provide the same services at night as the 24-hour supermarkets and other outlets. They need as much security, encouragement and space to operate from at night. The existing 24-hour supermarkets and other outlets are located in middle-high income areas and sometimes may not be accessible by a majority of city residents who have to commute from their low-income neighbourhoods.

Change of behaviour and attitude

The concept of a 24-hour city economy is still new in Kenya and many business persons and residents are embracing it quite cautiously. There need to fully embrace the night economy as part and parcel of the wider city economy. As such, the social and economic challenges associated with a 24-hour city economy must be addressed boldly. Nairobi citizens must start thinking on how to maximize on resources and understand that a 24-hour city economy has a potential to contribute to their livelihoods.

In addition, cultural and gender barriers associated with night life need to be addressed through education and sensitization of the citizens. It is the truth that women will form the majority of night workers and customers. Majority of them are workers in many business outlets, till operators in supermarkets and waitresses, among other jobs. However, fear for security and cultural barriers may restrict their participation in a 24-hour city economy.

City by-laws, labour laws and ethical issues

City by-laws and labour laws are still not favourable to the majority of the citizens who may want to participate in the 24-hour Nairobi economy. More often than not one finds the Nairobi city council discouraging hawking and street or pavement vending at night. In the formal sector, the existing labour laws have scheduled working hours and restrict working at night or during weekends. There is need to formulate by-laws and labour laws to govern and regulate the 24-hour city economy concept. The labour movements and laws have focused more over the working day and not the working night.

Investment in supportive infrastructure

Investment in the necessary supportive infrastructure, i.e. street lights, good roads, efficient and reliable public transport system, electricity and security, among others is a necessary step towards realizing a 24-city economy. There is need to boost economic growth by establishing infrastructure investment as a top priority. The Asian experience

clearly demonstrates the link between infrastructure development and economic success. And of course, economic growth should be synonymous of decent and productive jobs. Undoubtedly, the economic productivity of cities is a function of the efficiency of urban structures, and its attractiveness.

The role of local authorities, business people and other stakeholders

Local authorities need to recognize the growth of the evening and late-night economies and plan accordingly. The local authorities should not “sleep” at night as the rest but continue generating income to enhance the city development, management and governance. Likewise, all the relevant stakeholders and business people should work together to see the dream come true (while working at night!).

Conclusion

There is no doubt that Nairobi is on the road towards a 24-hour city economy. This is evidenced by the growing number of 24-hour supermarkets and other outlets, including the enthusiasm of many city dwellers and the newly created Ministry of Nairobi Metropolitan Development. However, these gains can only be sustained if proper supportive infrastructure is put in place. The most immediate need is provision of adequate security, street lights and an efficient and reliable public transport system.

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