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Is Informal Enterprise a Path to Urban Socio-Economic Dynamism in Nairobi?

By

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Abstract

In the midst of poverty and social economic crisis in Nairobi, jua kali (the local name for the informal sector) micro enterprises have shown resilience and dynamism. With 400,000 workers, jua kali is presented in government reports and even in primary school textbooks as a form of production and employment in cities but literature depicts the informal sector as lacking the factors of production and agency that make formal businesses grow and expand. The reality is that jua kali has managed to rationalise its business identity, carve out space in the city of Nairobi, and affect mainstream thinking.

This paper argues that jua kali is an alternative pathway to urban dynamism. Rather than being an inferior version of the formal sector, jua kali has become a process of organising businesses characterised by ideologies, discourse, social relations and learning processes. It is built on collective action rather than individualised competition. It pervades almost all spheres of economic and social life and has become part of acceptable lifestyles of the city. However, its strength comes from self ideologies, discourses, networks and learning processes which were initially thought to be its main weakness.

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Introduction

Among the multiple business identities in Nairobi, one of the most important is jua kali. Jua kali is viewed as dysfunctional, unorganized and temporal, and calls for its formalisation have persisted over the years. But it has impacted on the city's social, economic and political dynamics considerably. It is a way of life for many people, and a source of goods and services for a large segment of the population. Jua kali businesses are strong, albeit subliminal forces that influence behaviour and life in the city. It is characterised by creative and innovative, but sometimes aggressive, identities that define its image in the city. Various local discourses have evolved concerning the sector and serve as a driving force for its re-generation and resilience.

In my previous research on informal enterprises, I have used questionnaires to gather economic, demographic and social data on age, level of education, skill levels, and sources of capital, marital status, home origin and enterprise characteristics to explain informal enterprise. I have however been challenged and contextually forced to reconsider this approach because the reality of informal enterprise and the seeming failure of intervention programmes aimed at converting them into formal enterprises have progressively led me to question my own research tools of analysis. Further, my experience with jua kali people outside the markets and their designated spaces reveal a different scenario. A reflection of my experiences and interaction has led me re-conceptualise jua kali enterprise as a social system that has defined rules and regulations, forms of interaction, and beliefs systems and ideologies that propel its re-generation and expansion. Most often, these experiences are recorded in pop music, folk and religious songs as well as un-written histories within various jua kali clusters. In this working paper, I make an attempt to illuminate some of the methods and strategies used by the jua kali sector to carve out its identity by using local discourses.

Jua kali micro and small enterprise phenomenon

Jua kali micro and small enterprise phenomenon pervades almost all spheres of economic and social life and has become part of acceptable lifestyle of the city and has distinct sectors and spaces (see Table 1). Even within sectors it is divided into subsectors and localities. The main jua kali spaces in the city are: Gikomba, Kariobangi, Kariakor, Kamukunji, Githurai, Makina and Ziwani. Emerging jua kali spaces in Nairobi are Mutindwa, Dagoreti Corner, Kangemi, Dandora and Kayole.

Table 1: Jua kali phenomenon

Jua Kali Identity

Self-employed individuals
 Micro and small enterprise with 1 – 10 workers
 Operating in open and semi-open spaces

Heterogeneous Manufacturing

Metal
 Garment
 Furniture
 Leather and shoe making

Repair Services

Vehicle repair
 Electrical and electronic goods repair

Retail trade

Garments
 Household goods
 Groceries
 Foodstuff – grains, cereals, meat, fish

Transport

Paratransit travel
 Taxis
 Bicycles
 Matatus (Nissan kombi vans)
 Handcart pushers
 Mbemba (usually refers to men who carry bags or boxes on their backs from one place to another in the cluster)

Entrepreneurs' Characteristic

Age 20-60
 Level education (none to college graduates)
 Previous occupation (none, firms and public)
 Sex (male and female)

Sectoral composition

Many studies have been undertaken on the jua kali sectoral diversity (Kinyanjui, 2007; Kiruthu, 2006; Kinyanjui, 2006; Kenya, 2005; Macharia, 2003; Khayesi, 2001; Alila, 2001; Macharia; 1997; King, 1996). The nature and extent of jua kali businesses has also been documented in time specific baseline surveys and Gemini Reports. However, there is no time series sectoral, size or gender disaggregated data base showing the sectors contribution to employment and GDP like that of the formal sector.

At the broad industry level, manufacturing, repair services, and retail trade are the main sectors. Each of these is further organised around sub-sectors. Metal work, leather and shoe-making, wood work and furniture and garment making are the main sub-sectors in manufacturing while motor vehicle repair is the dominant sector in repair and services. Electrical and electronic goods repair is also emerging as another important sector in jua kali. Garment retailing, cereals such as beans, meat, fish and grocery are the main activities in trade. Other jua kali sectors include transport, services, hotels and construction.

Employment size

In terms of employment, these are mainly small scale: between one and ten employees. Jua kali firms employ both male and female workers. Due to the sector's relatively low level of mechanisation, coupled with the prevalence of unwritten patriarchal laws, there is a conspicuous division of work into male and female jobs. Male workers and entrepreneurs dominate the metal and vehicle repair sectors, while female entrepreneurs and workers are highly represented in the garment sector². Most of the workers and entrepreneurs in the grain sector are female.

Jua kali dynamism has been observed and expressed in different contexts. Today, jua kali is taught in primary school social studies as a form of production and employment in cities and urban centres. Moreover, a local television station, K24, hosts a programme called '*Kazi ni Kazi*'³, which features entrepreneurs from the jua kali sector⁴. Various studies (see Kinyanjui, 2008; Kinyanjui, 2007; Kiruthu, 2006; Khayesi, 2001; Alila, 2001; Macharia, 1997) have attempted to conceptualise jua kali dynamism within a variety of contexts using qualitative and

² For example, of about 5,000 registered jua kali artisans in Ziwani, only about 200 are female.

³ *Kazi* is a Swahili word for work. *Kazi ni kazi* is an activist terminology for legitimizing jua kali jobs such as mechanics, grill making, furniture making and matatu driving. Some of the people hosted on the programme by K24 TV on the *Kazi ni Kazi* programme include female mechanics and metal workers. The implied meaning of 'kazi ni kazi' is that jua kali jobs are means to earn a living, and they are dignified activities and no one should feel ashamed or belittled by engaging in them.

⁴ Besides, leading companies such as Barclays Bank, Bidco, Kenya Breweries and Safaricom have embarked on marketing strategies that indicate renewed awareness of the financial potential and the dynamism of the jua *kali* sector.

quantitative indicators such as employment and improved life chances but their efforts are hampered by lack of national time series data. Macharia (2003: 25) observes the following on jua kali dynamism:

The entrepreneurs in the informal economy gave it a new outlook and more people who could not join the formal sector felt comfortable joining the informal economy, popularly known in Nairobi as jua kali...The informal economy in Kenya has done what the government was unable to do all these years since independence namely; to change the institutions from the colonial based ones they inherited to ones that addressed the needs of the Africans. The education system should have emphasized self employment and technical know-how instead of a false promise of future employment in a white collar job. The informal economy has revolutionalised the labour market mentality in the urban areas of Kenya...

Government policy seems to reflect a lack of understanding of jua kali social and economic organisation. In the 2005 Sessional Paper on Jua Kali, the government begins by acknowledging the failure of the 1992 Sessional Paper on the same but proposes to start using a selective policy for supporting jua kali whereby only productive ones will be assisted. On the issue of infrastructure, for example, the paper proposes more private sector involvement in the development and management of market stalls and worksites. However, the following questions beg to be answered: who is the private sector? Does it include jua kali? And what role will jua kali associations play in this dynamic?

The Sessional Paper also proposes that Temporary Occupational Licences will be issued for short term leases to jua kali businesses. Again, one wonders, what is the duration of these short term leases? And what are the possibilities of people investing heavily in a short term leases? Further, the strength of the proposed Micro and Small Enterprise Act is envisioned in the creation of a National Council for Small Enterprises which will lobby and advise on appropriate MSE policy and fundraise for the sector. The rationale for introducing another organisation to act on behalf of jua kali is not clear. Shouldn't MSEs have rights to government resources (hence a budgetary allocation) rather than a situation where a body will fundraise for it? Essentially, what the policy paper does is to extend a mental picture of jua kali's inability to propel and manage its activity.

Jua kali: the pathway to urban dynamism?

Mapping businesses as formal or informal, legal or illegal, regulated or unregulated is more of a systematic failure to appreciate emergent business diversity in urban dynamism. It also ignores the human interaction processes in the city that have shaped it. The formal business practices which the informal sector is supposed to adopt are those that destroy competitors through aggressive advertising or employing zoning laws which do not allow location of similar businesses in one locality. Yet, similar informal businesses are located next to each other or within one locality. We have not taken time to compare the behaviour of till workers in supermarkets who push one item at a time through machines without looking at the customer versus the customized care of a kiosk owner, the metal worker or a carpenter. The consumption habits that are being promoted by the formal sector are a real threat to the environment. Further, formality is not independent of acculturation. It promotes an individualistic culture that is not African.

Policy is built on a mental picture of business that requires formalisation, which assumes that what is called 'informal' directly translates into lack of urban dynamism, and is the cause of inequalities, un-even development or poverty. The informal sector is seen simply as a livelihood strategy for individuals with no power to move their own activities waiting to be absorbed into the formal sector. But this way thinking about differences between formality and informality will not take us far.

Instead, the formulation of our questions should start from the understanding that jua kali is simply another way of organising and doing things, which, as I have argued elsewhere, has intrinsic characteristics, including those of interrelatedness and interconnectedness of the person, and self-reproduction (Kinyanjui, 2007). These characteristics are supported by a wide application of social capital in a range of activities and institutions in the sector (Kinyanjui and Khayesi, 2005). There are social and economic structures that abound in jua kali that have made it resilient and dynamic.

Economic dynamism?

Consider this dynamism, through a jua kali lens. Economic dynamism is normally measured in terms of job creation, retained profits, earnings, contribution to GDP, revenue, investments, stocks and savings. But applying these measures to assess jua kali success or failure may not depict the real scenario. A multidimensional assessment of dynamism based on the peoples'

perception of wealth, motivation and transactions involved in business dealings is a more preferred option. Two local understandings of wealth are *utonga ni matigari ma nda* or *watonga humbira nda*. The first saying means that wealth is what remains after daily expenses are met – after expenses on food, family, housing, clothing, transport and investment in social networks have been covered. The other saying observes that one should not expose one's wealth to every one.

A daily negative book balance does not always mean that the business is doing poorly. This is because each day the entrepreneur makes contributions to several savings and insurance networks. An entrepreneur can be a member of several groups and contributions are made daily, weekly or monthly. Contributions to groups may be as low as Ksh. 20 or as high as Ksh. 1000 depending on the nature of business sector and type of cluster. Investments in these networks are tapped when need arises – not only for the nuclear family but also for the extended family. Such needs include hospital bills, school fees and funerals. Groups define rules on expenditure for a given aspect and ensure that individuals actually spend the money for the intended purpose. Members are able to monitor each other because besides being acquaintances within the cluster, they visit each others homes on a rotational basis. These rotational visits further strengthen relationships between members.

In the case of the *jua kali*, success is viewed as what an individual has been able to achieve through earnings from the small business, rather than having savings in a bank. Success in the cluster is measured by an entrepreneur's ability to diversify investments such as owning *matatus*, urban plots and building rental houses. Other indicators of success are being able to educate one's children or give one's parents a decent burial, pay rent and construct a decent shelter in the rural hometown or own an urban home. Being an employer, starting another small business, buying a stall rather than renting or learning a new skill while in the cluster are also viewed as indicators of success. But the most important indicators are investment in urban real estate and in rural homes, as well as educating children up to form four level or in private primary schools. Thus, there is need to develop a multidimensional measure of business success - one that takes into account entrepreneurs' aspirations, transaction diversification and investment in social networks.

In 2005 I was involved in a research project on garment and footwear producers⁵. During the project I encountered a footwear maker in one of the clusters. He was in his late thirties and was quietly reading a book in his stall. He also informed that he 'reached' form three level of secondary education, although he was unwilling to discuss the circumstances that led to his quitting school in form three. He told me that while he was not busy or when the business was bad like it was then, he preferred to spend time reading a book rather than playing a game which some of the other *fundis* (shoe makers) were playing at the time of my visit. He explained that business had been bad for the last three or so years since the arrival of imported new shoes. He explained that he was actually doing well in the past, compared to now (at the time of interview). I enquired to find out how much money he was making back then. To my surprise, he did not quote a figure but instead made reference to the fact that he was able to marry a university graduate teacher. To him, this was a great achievement which was attributable to his success in business. He was very concerned about how he was going to maintain the standard of his family, now that business was low.

John was invited to attend a practitioners workshop organised by the research network. The presenter, Prof. Mbwisa,⁶ gave a talk on why small businesses needed to market themselves. In his presentation, Prof. Mbwisa corrupted a Kiswahili saying - *Kizuri cha chiuza kibaya cha chitembeza*. It means nice things do not need to be advertised, it is bad things that advertise themselves. Applied to business it means customers will always come to you as long as you have good products. Small business people do exactly this. They wait upon customers. Prof. Mbwisa's new saying is as follows *Kizuri cha chitembeza kibaya cha chiuza* - small business people should advertise their goods rather than wait for customers to come to them. He therefore challenged the small business people to move out of their 'cocoons' and advertise their goods.

John picked up the concept very fast and took his goods to an exhibition in town where he made great sales and also made international connections. He realised the great potential of the tourist market. However, the tourist market is difficult to penetrate because large hotels and large firms control it. He therefore decided to expand his international market by tapping his church network. He is a member of a protestant church that manages an international

⁵ The research project was funded by a grant from the Dutch Government. It was led by Prof. Dorothy McCormick. It involved a network of researchers from Kenya, Tanzania, South Africa and Ethiopia. The researchers attempted to bring in policy makers and researchers and practitioners in industry, both large and small. The policy makers and practitioners were invited to seminars. The project was a great learning experience and covered themes such as: procurement and policy and private sector partnership in transforming the micro-enterprise.

⁶ Prof. Henry Mbwisa is a Professor of entrepreneurship in Jomo Kenyatta University of Agriculture and Technology. He is a business consultant and operates a small business.

conference centre in the outskirts of Nairobi. He asked the administrator whether he could display his goods at the Centre, and the administrator agreed. He set up shop at the centre where he has been able to extend his international networks. When I invited him to the last seminar for closing the project he informed me that he could not make it. He however, did come to my office for a chat where he explained that he had a large team of guests which was visiting his workshop. Like in the beginning, I asked him to give me an indicator of how his business was doing. He laughed and said it was doing very well. He had completed building his own house and had a workshop where he had many workers. He also invited me to come and visit and see his progress. The important thing however, is that he did not break his networks at the cluster. He referred six of his workmates to the one-day seminar.

John's perception of business success is measured in what other successful people are able to do. Although he is member of a cluster, he has an identity and realises the need to maintain networks and also bring along other people in the cluster. He taps various networks including his church. His entrepreneurial skill lies in identifying opportunities, including attending a one-day seminar. He confessed that he did not find most of the topics covered in the seminar necessary but said that he was able to learn one important business lesson: taking his goods to alternative markets. In the process he was able to establish international networks which have initiated a new form of dynamism to his business.

John's case also challenges the urban zoning idea. Jua kali business is contained in specific sites within the city. In security maps, these parts are labelled as the most dangerous which the rich and international visitors should avoid. Besides, they are not healthy, one can easily catch disease. If these sites were re-imaged, John and his colleagues would not have to move all over the city. In any case, John's business activities were stimulated by a concept, rather than being provided with a structured method of how to run a business.

Social dynamism

Kamweretho women's movement is another indicator of social dynamism arising from engagement in jua kali activities. The women who pioneered the *Kamweretho* were predominantly Kikuyu business women who were carrying out different types of business activities. Often, these women do not need to go to a bank or plead with their spouse to give them money; neither do they have to visit an ATM to finance an urgent transaction.

Other women have found it attractive and are adjusting it to suit their own environments. The *Kamweretho* women movement has gained popularity in the last five years or so. It evolved from other networks in the jua kali clusters. The *Kamweretho* was started as a forum for seeking blessings from one's parents, with one's mother being the centre of attraction during the ceremony. The word *Kamweretho* is derived from a Kikuyu term, *Kweretha*, which means 'to explain' or 'to express' oneself; or 'to speak' out issues that one would not ordinarily say under normal circumstances. The speaking out ceremony takes place at the woman's home in the rural area or in town.

The ceremony is simply regarded as a ritual for giving thanks or showing appreciation to one's mother and seeking her blessings. It consists of a ritual, prayer, clothing one's parent, singing and feasting. The women show their economic prowess by financing the ceremony, clothing the parents, brothers, sisters and neighbours. In addition, the mother is given household goods and money in a closed envelope (the amount of money varies from group to group and members decide the amount).

Some of the things performed in the ceremony were actually done by a suitor to his bride's family during marriage ceremonies. During the *Kamweretho* ceremony single women also take the chance to pay bridal wealth to their father. Paying bride wealth to one's father means that a single woman can inherit land and also receive her daughter's bride wealth. The messages in songs and speeches tell the strength of a woman in business, at work and in the house in a spirit of solidarity. The women cannot do all this if they did not have money of their own or they did not have the networks.

The ceremony begins with a song where each member of the group identifies herself by first describing her physical features, then her parents' home, her marital status (usually by showing off her wedding ring), and then invokes motherhood by stating the number of children she has birthed. This song is followed by a reading from the Bible and a sermon. Afterwards, many other songs in praise of motherhood are sung, but the key song for the occasion is the *Kamweretho*, where the soloist (the woman whose parents' home is being visited) expresses, in every manner of emotive words, the role her mother played in her upbringing. Immediately after the song, she dresses her mother in a new outfit and showers her with all manner of gifts. Afterwards, the mother is requested to make a prayer and bless her daughter.

This ritual has its origin in the urban centres and is atypical of the cultural lifestyles expected of the urban woman. A majority of women involved are drawn from various types of business activities – large and small, e.g. cereal marketing, real-estate, fruits and vegetables, shops etc. The majority of them operate under the informal sector, or apply informal principles of doing business (Kinyanjui, 2008).

The ceremony challenges two myths – first that urban women are immoral and disempowered, and second that women participating in the informal sector are poor and that the informal sector is symptomatic of failed economic policies. It makes a clear and loud statement that women can even do better than men by devising their own strategies. It sends out a message that there is a ‘new woman’⁷ in the city, one who has been blessed and sanctioned by their own mother to go on and do exploits and has a mission for rural change - beginning with her own mother. This underlines the need to review the informal economy in the development paradigm (see Kinyanjui, 2007; Kinyanjui, 2008, Macharia 2003) and acknowledge the way that the informal sector has changed the labour patterns in Nairobi.

Jua kali strategy in urban dynamism

This section describes the strategies that jua kali uses to rationalise its identity, through discourse formulation, personal ideologies and learning processes, and dynamic and static relationships. Jua kali businesses do not just sit and wait; they move on by adopting and adapting to current dynamisms through creative and innovative strategies.

Jua kali spaces have traditionally been depicted as spaces for ordinary people to subsist and produce. People bring into these spaces experiences and encounters from varied social, cultural, technological, economic, religious and political spheres. However, jua kali businesses exhibit intrinsic values, philosophies and images that are peculiar to them. They have remained ‘ordinary’ in their way of doing things and have been able to use this ‘ordinary’ status to influence spatial processes and features in Nairobi.

Jua kali businesses thrive against bedrock of discourses and prejudices. These consist of attitudes, beliefs and perspectives that have evolved within the paradox of overcoming hopelessness and desperation, legitimisation of existence, and the desire to prosper. Self

⁷ Safaricom mobile service provider has recognised the financial strength of this woman and tried to reach out to her through its Kwarusa Ushinde ma Million (scratch card and win) sale promotion. The woman is pictured scratching the card and wins millions and, with the use of graphics, she is lifted high up into the sky and everybody else watches at the sudden transformation.

ideologies constitute a popular strand in jua kali discourses. Each jua kali entrepreneur has a story that explains his or her presence in the city, and a vision for his or her business. Jua kali plays a transformative role in the lives of the participants while they also become agents of transformation. The jua kali entrepreneurs are drawn from a range of backgrounds such as farming, schools and jobs in other businesses such as in the transport sector, domestic services, public service and retail trade. Individuals quit jobs for a variety of reasons. Among them: marriage in the case of women, low pay and disenchantment with the jobs, the desire to do something different or the need to improve one's lifestyle. People's transition into jua kali spaces was goal-directed. As such, they expected certain results from their newfound space. Entrepreneurs were prompted to start businesses so as to meet personal needs such as raising money for food, educating their children or to take advantage of perceived opportunities in jua kali.

The individual stories and visions of settling into jua kali businesses have woven into an ideology that propels people and their businesses. The reasons for settling for a business in the jua kali sector may be diverse, but they can all be summed in one common goal: 'we are all here to make money'. However, each jua kali entrepreneur has his or her own *modus operandi*, which is informed by their vision and their expectations. Some had started jua kali businesses with hopes of making money quickly after which they would return to their rural homes. However, as time wore on, it became clear that this was not to be the case as their new businesses turned out to be a life-long occupation. For some, formal sector jobs are not the primary goal, as it is often assumed. There are individuals who move to the city with the intention of starting a jua kali business or seeking employment in the informal sector. Others first seek jobs in the formal sector, but with an ultimate goal of establishing a jua kali business.

The following case stories illustrate the diverse backgrounds from which entrepreneurs come. For example, after sitting for the Ordinary Level Certificate of education in 1977, Mwangi joined his brother in Nairobi who was running a small business. He helped in the business for four years. Within that time his brother was able to raise enough money for Mwangi to start a small business. Mwangi chose to do set up a business brokering wares in one of the clusters.

Peter, a metal worker, trained in metal engineering in several workshops. He worked for the Kenya Bus Service as a mechanic. Though he rose up through the ranks to become a supervisor, he always felt that he was not adequately compensated for the job he was doing. He

was basically not in control and he was not putting his skills and knowledge into good use. He wanted to be creative and make things according to his designs. He saved enough money and decided to start his engineering metal workshop. Jane, on the other hand, learnt to knit in YMCEA after she completed standard seven. She moved into Nairobi and got married to a man who was working as a matatu driver. She tried running a small knitting business in order to boost the family income. The knitting business has grown and the husband stopped working as a matatu driver. He distributes knitted garments to various markets in rural areas.

Mark said: 'I was sure I wanted to start my own business in printing. Having studied business in school, I wrote a business plan. I walked from bank to bank and from one NGO to another looking for funding for start up. I was extremely frustrated no one was willing to take the risk of funding my project. Each type of financier gave me different reasons for not doing it. I shelved my business idea and decided to start with second hand photocopier using a loan from my uncles. After putting in many hours and making lots of sacrifices I was able to buy a second hand printer, since then I have made some money and operate a savings account and a current account.' These days, he receives calls from banks or visits from direct sale agents from several banks whom he jokingly refers to as 'money hawkers' who never stop knocking at his door asking him take a loan or advertising several products for small businesses like his. 'I am lucky I can see through them. I always advise them very politely that they should show by example by using that money to start their own business.'

The ideology of making money (defined in policy as income generation) masks a spiral of identity transformation activities and processes. Individuals with different identities, drawn from different sources, move into jua kali to engage in money-making activities in sub-human and very harsh environment. This environment subsequently impacts on their personal identities, making them tough, aggressive and most often sceptical and suspicious of those outside it. These identities reproduce themselves into the general perception that jua kali entrepreneurs are perceptive, aggressive and tough. The prolonged time-bound experiences contribute to the formation of a pronounced strong 'wait-and-see' attitude in regard to jua kali identity.

Akin to the self ideologies, is the ideology of the self-made-man. Working for oneself, rather than working for someone else, was one of the major concerns that led to protests against colonial wage labour policies: the urban workers were against working in factories, shops and households. Employment was equated to a lack of independence and slavery. The desire then

was for the individuals to work for themselves. Indeed, most jua kali entrepreneurs often express their satisfaction in working for themselves. The dream of most jua kali workers is to start their own business some day. It is not uncommon for individuals to make comments such as: 'I started this business because, I wanted to be my own boss' 'I wanted to be independent', 'I like the flexibility that comes with working for myself'. 'My income is commensurate with the effort I put'.

As cited in the literature, there are three categories of reasons for self-employment in jua kali. The first is with regard to independence. The opportunity to be his or her own boss, as well as having the freedom to work without supervision, is seen as an advantage for jua kali. To be able to make decisions and the flexibility in terms of organising job schedules was cited as another reason for self-employment. One could choose when to take time off and can attend social functions without having to ask permission – this is not the case in formal employment. Independence was viewed in the context of perceptions or experiences of shop floor workers, attendants and blue-collar workers in industry, retail trade and government offices.

Close to independence, is the issue of flexibility in time management. One could work according to his or her lifestyle pattern. No routine time-keeping and monitoring of attendance is necessary. Women find it easier to manage household activities and run businesses at the same time. Business times are adapted to fit in with times for doing household activities. Jua kali people seem to have a perception of social justice in the distribution of rewards in the form of wages and bonuses for work done. Jua kali entrepreneurs felt they were more in control of their earnings than they would in the formal sectors. Returns were often commensurate with one's investments, or with the efforts applied. This often differs from formal employment where one's salary is pegged according to standardised certificates, rather than on individual efforts or commitment that one may have to the job. Salary increases have to be negotiated through unions, sometimes accompanied by long-drawn court cases. In jua kali, earnings are restricted to individual effort and the profitability of the business, not a job scaling system hinged on school grades. Essentially, the desire for independence, flexibility in time management, and reward and profit concerns point towards an awareness of benefits associated with investment in jua kali. These benefits are crafted in line with the changing phenomenon of urban employment and lifestyles. There is likelihood that they have a bearing on jua kali businesses and their subsequent impact on urban dynamism.

The self ideologies are supported by local discourses and expressed in lingua and expressions in the jua kali clusters. Local discourses refer to the ways in which jua kali entrepreneurs represent themselves, justify their existence, and gain acceptance. They make considerable attempts to present themselves as a united force to outsiders. This is informed by their vulnerability to internal and external factors. Rather than succumb to vulnerability, they form solidarity groups and attempt to establish a community in an otherwise hostile environment. In almost all cases, they are united when responding to issues such as authority and crime.

Another discourse has been formulated around members' welfare. There is a strong belief in sharing and supporting each other in times of distress, as a basis for co-existence. An individual's distress call is answered with solidarity by members of a particular welfare group. Thus, they support each other in times of death, marriage and sickness. They make contributions in cash and kind, to meet these needs.

A new dimension in addressing business concerns in solidarity, especially when dealing with brokers who serve as intermediaries, is emerging among jua kali practitioners. This shift is directed towards a unified approach in handling defaulters, dealing with issues of product quality, and debtors. Product innovations and security of tenure in businesses premises are other issues that are informing current jua kali thinking. This is largely reflected in the emergence of sectoral organisations within the jua kali sector itself.

The new jua kali thinking is also directed towards warding off competitive forces and intruders. During the social-economic upheavals of the late 1990s, which were spurred by neo-liberalism policies, like their counterparts in the formal sector, jua kali businesses were faced with the real possibility of obliteration. To counter neo-liberalism, retrenchees from both the public and the private sector moved into jua kali spaces in search of jobs or to start their own businesses. But unlike the traditional jua kali investor, these investors had more money, exposure to different technologies, different worldviews, and higher levels of education. Thus, these new jua kali investors set up businesses that were adequately capitalised, licensed, and with better technologies. They also had a different worldview. In an effort to restore social-economic equilibrium, most of these entrepreneurs started to copy and imitate other people's business ideas and strategies, putting themselves in direct competition with ordinary jua kali entrepreneurs. Their presence became a real threat to the existing jua kali businesses.

However, despite these setbacks, the jua kali sector maintained its identity and continued to expand. A strong discourse that called for the maintenance of the status quo, and encouraged individuals to remain steadfast emerged. This discourse was packaged in the form of lingua and expressions⁸ and was similar to that found in a pop song *Mwigerekanio*⁹. This song, which was sung during the social economic upheavals of the late 1990s, was essentially a satire on most people's tendency to neo-liberalism whereby people were basically copying each other's business ideas and lifestyles. The song had a message for both new and old investors, as well as the consumers themselves. To the young investors, the song highlighted their lack of innovation and creativity in adopting business ideas, while to the old ones, the song pointed to the possible negative impacts of such actions and strategies. At the same time consumers were also warned of shifting their loyalties to the newcomers.

The city bylaws define jua kali spaces as temporary spaces, leased on a temporary basis (sometimes on a daily basis). Thus, continuity of legacies should not be the norm. The reality is however different as the legacy of reference points is perpetuated in the clusters through inheritance and succession arrangements. Loyalties continue to be maintained through inheritance and succession of activities by children, relatives and former trainees. Although in a few cases new occupants may hire or rent from former owners, loyalties are maintained with original owners or their families through individuals conversant with premise allocations. These individuals play an important role in the jua kali sites and often make internal arrangements to let and sub-let spaces.

⁸ In the late 1990s, I was involved in the study of two jua kali clusters- Kigandaini in Thika, Kamukunji and Ziwani in Nairobi while doing a study on clusters that was a joint research project between IDS Nairobi and IDS Sussex; I was also doing work in the Uhuru, Gikomba, Kariobangi, Nyamakima clusters in small scale garment cluster. The clusters have diverse lingua and expressions due to their multi-ethnic nature. During these visits, I closely observed that economic factors alone cannot explain the dynamism in these clusters. Strong will power and group therapy keeps the people at work.

⁹ Mwigerekanio is a Kikuyu terminology which means 'imitations'. Its application is derived from kikuyu folklore.

Building on relationships

There are certain individuals in jua kali who influence the formation of discourses in jua kali. In addition to their ability to do business, these individuals possess a variety of attributes such as: charisma, acumen in forging internal and external relationships, boldness, command of the jua kali lingua, and the ability to communicate, especially for those who have been in business for a long time. They are often referred to as chairman, chief, chairlady or leader, or sometimes simply by their nicknames. They command specific authority over the behaviour of the jua kali segment under them. Since they are respected by their people, they influence perceptions to a great extent. Often, they advise on certain issues; or give their take on the introduction of something new. Such advice is readily adopted by other businesses. These individuals are very influential in the cluster and perform several functions such as: dispute settlement, space allocation, brokering space, directing customers and offering security.

The questions that come to mind, however, are: how do these individuals assume these responsibilities? Who appoints them? Although some are self-appointed, their ability to serve as reference points for people on many issues indirectly confers on them some measure of authority. Every Jua kali person has a particular person who serves as his or her reference point. This person is almost always the one who inducted them into the business. A person may have begun as a reference point for a specific number of people, but over time, his or her sphere of influence expands beyond his initial group.

The reference point could be older persons in a jua kali cluster, or one who possesses unique attributes. We shall refer to him or her as person 'A'. A invited his brother to work for him as an apprentice as he waited to start his own business. Other people from the village may have followed A, each inviting his or her own friends and relatives. These individuals make friends with others in the cluster and introduce their friends to A as their reference point. Through this circle of individuals in the cluster, A's zone of influence is broadened and, without knowing, he or she becomes a reference point for many people in the cluster and influences their decision making.

Learning is an important prerequisite for one to fit into a jua kali discourse. The process is made easier by the fact that most individuals join the jua kali sector by way of introduction by relatives, a spouse, or friends. The introduction may include skills training, which mainly involves learning on the job. For instance, this may involve learning via step by step instructions on how to

overhaul an engine. Although this kind of training is always offered at a fee, the trainer caters for the trainee transport and lunch expenses. This form of training is important because it has a bearing on loyalties in the jua kali clusters.

The open and semi-open spaces in which jua kali businesses operate makes it difficult for privacy in production and pricing to be maintained. Informal groupings based on place of origin, family, relatives, and friends serve as buffer zones for secrecy. The rest of the learning takes place through a process of self discovery, gradual sieving and selection of information obtained and keen observation of processes. Discussion with immediate neighbours and observations also form part of the learning process. This learning process also requires alertness to changes in prices, space policy and customer relationships. Learning is therefore not as easy or as straightforward as is the case in a classroom setting. Individuals have to learn the numerous unwritten laws and regulations since there are immediate punishments or consequences for breaking them. For example, sales are organised around a camera system or blind bidding. The individuals bid for items in a closed bale without knowing the contents of the bale. A bale may consist anything from high quality designer label shirts to rags. Those who bid under the camera system are given the chance to select all the quality items in the bale in the order of their bid. After this, another category of buyers select items under what is referred to as *kufagia* - sweeping. The price for items in *kufagia* is relatively standard.

The jua kali discourse is hinged upon a web of dynamic and static relationships. Blood relationships are fairly significant in jua kali sites. Fathers and sons work together in vehicle repair and metal work while mothers and daughters work together in garment-making or locate business in close proximity to each other. In some cases, an entire family is involved in running a business, or in running similar businesses close to each other. Extended family relationships are also involved. Uncles and aunts work in businesses closely located to their nieces and nephews. Besides, the family relationships offer trainer/trainees connections. In some instances, trainees tend to co-locate their businesses close to their former trainers. Other forms of relationships are based on ones religion, ethnicity and place of residence in Nairobi.

The genesis of jua kali micro- and small-enterprise phenomenon is deeply rooted in social relations. For example, women use strong social and religious networks to deal with attempts to “moralise” their presence in the city to overcome social economic handicaps. Women express solidarity in various ways, and enhance their interactions across the city dichotomies. There are

many women organizations in the city. These range from prayer groups, money merry-go-rounds, welfare organisations, sisters from the same home origin or family, former schoolmates, neighbourhood support groups, business support groups, sisters-in-law networks, among others. These support networks facilitate women's participation in the urban social, economic and political spheres. They offer monetary and social support during death, weddings and birth. They also provide them with business loans, working capital loans, business information, and assist them to purchase household goods besides making rotational visits to members' homes, etc.

I will illustrate the way women use social relations in informal enterprise with the following encounter. Anne is a dressmaker in a garment cluster in Nairobi. She migrated into the city through the invitation of her brother who worked in a factory. She worked as a house girl in several homes within the city. At the age of 25 she had outgrown the job of a house girl. She could no longer handle the social and emotional demands of the job. However, she could not return to her rural home. With the help of her brother, she enrolled for an on-the-job training with a lady from her village who had a garment shop in the cluster. Upon completion of her training, she worked in the lady's shop as a tailor. Meanwhile, she joined four organisations in the cluster where she made daily contributions. Whenever it was her turn to receive lumpsum payment from the group she would keep the money in a safe place until she had enough money to sublet her own space in the market and start her own business. She continued investing in the networks and through the savings and earnings from the business she has been able to expand her business. Today she has two stalls and has rental houses somewhere in Kayole. She also has a plot of land in Rwai.

Maria migrated to the city to follow her husband who was working as a senior servant in the early sixties. Like most women of the time she received some basic education. However, she however enrolled in a dressmaking course offered by a church organisation. She found running a dressmaking business compatible with the needs of her young family. She could do all the housework before going to the market where her business was located. She observes that her earnings were significant to the family income. Sometimes her earnings were even higher than those of her husband and, through a joint family fund, she and husband were able to educate their children abroad and buy property in a suburb located in the rich people's areas of the city. Although she tends to keep to herself most of the time she relates very well with the tailors from

her hometown and those from her church. She has a senior position in her church. She is also a reference point for many tailors and she is consulted on many issues.

The diversity of relationships generates a range of loyalties in the cluster which subsequently impact on the social organisation, pricing and competition among businesses. These loyalties influence pricing decisions and ensure that there is no undercutting. Sometimes they influence customer reach for a given jua kali site. Through these loyalties and alliances, the jua kali way of doing things and thinking is reproduced in space and time. It addresses vulnerability and maintains businesses, subsequently making jua kali a complex mosaic of businesses identity and discourses rather an absence of entrepreneurship or formality. It is structured by ideologies of self, and individuals who serve as reference points and constraints of space are turned into opportunities.

Jua kali is a dynamic alternative to the formal sector

The jua kali is an extremely organised system, more than the literature suggests. The individual entrepreneurs operate under a myriad of networks not only based on reciprocity but real investment in money and time. There is need for policy to appreciate the diversity in jua kali enterprise and urban dynamism.

Perhaps rather than re-introducing intervention programmes that have, in the past, failed to convert jua kali into formal enterprises, Kenyan government may stand to gain more by conducting a multi-dimensional study of jua kali dynamism, in the context of their (jua kali's) own social and economic goals and perceptions.

As the above paper illustrates, jua kali is simply an alternative pathway to urban dynamism. It represents an unconventional way of conducting business within Kenyan society. Rather than being an inferior version of the formal sector, a look into the lives and businesses of members within this community reveals that jua kali is, in fact, an organised system that has its own defined rules, regulations, forms of interaction and beliefs. It is a system built on collective action rather than individualised competition. It pervades almost all spheres of economic and social life and has become part of acceptable lifestyles of the city. And its strength comes through a process of self ideologies, discourses, networks and learning processes - processes which were initially thought to be its main weakness.

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Biography

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