

*No Government is as straight as when it bends to help the poor.*

## **Regularizing the informal sector '*jua kali*' activities in nairobi for sustainable development**

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### **1. Introduction**

#### **1.1 Overview**

2008 saw over half of the world's population living in urban areas. Current projections estimate it to rise to 70% by 2050 with almost all the growth will take place in developing regions (UNCHS-HABITAT, 2009)<sup>i</sup>. The outcome of increased urbanization has been, and increases to be, a fundamental change in the socio-economic environment of human activities, as it involves new forms of employment, economic activity and lifestyle. Across all countries over time, the level of urbanization is strongly correlated to the level of economic development, but the annual growth rates of each are not closely linked since urbanization often proceeds apace even in periods of economic stagnation or decline (Fay and Opal 2000; Kessides, 2006)<sup>ii</sup>. One defining feature though is that increasing poverty levels in the developing countries and environmental challenge continue to affect urbanization whose transition cannot be halted or indeed reversed. But in the face of the emerging economic challenges based on increasing urbanization, one sector continues to stand tall. The informal sector activities.

According to UNHSP-HABITAT (2006)<sup>iii</sup> the informal economy can hardly be ignored in Kenya: 61 percent of the 14-million labour force work in non-agricultural employment, while 35 percent of urban and 59 percent of rural households respectively are involved in small businesses. Whether rural or urban, the informal economy is comprised of MSEs which produce and distribute basic goods and services in unregulated competitive markets that lie outside the regulatory framework of either national or municipal government. This sector is a permanent fixture of the country's development and is as old as Kenya's independence, although it continues to experience all sorts of challenges. This is due to lack of effective policy implementation and, ultimately, of appreciation by policy-makers of the role this sector continues to play in job creation, poverty alleviation and economic growth. Existing legislation does not effectively address the problems of Kenya's informal economy, largely for lack of political will and serious commitment by policy-makers.

Despite the lack of a proper definition, the urban informal sector accounts for a big part of urban employment (20-60%) in many primal cities in the developing world. It offers various outputs and services to the formal sector, sometimes through sub-contracting arrangements and also to the general population (Fukuchi, 1998)<sup>iv</sup>. The capital city of Kenya, Nairobi, according to

#### **1.2 The Oxymoron: Which way to go?**

Policy focus in the formal economy has overshadowed the informal sector. The absence of clear policies has relegated the informal sector to fragile working environments and competitive disadvantage vis-a-vis larger formal firms in capital and product markets (Chen, 2007)<sup>v</sup>. Informal trading activities in the city of Nairobi have not been incorporated adequately in the land use framework of the city. Traders trade from insecure contested spaces. In most cases the trading spaces utilized by informal traders lack adequate infrastructure facilities, and are often inadequate to accommodate the high demand.

A major problem associated with informal activities is the conflict of use, between these activities and designated uses, which largely results from lack of regulation. These include encroaching on the road reserves as in the case of Landhies Road and Jogoo Road facades. The resultant developments reflect a state of fear to these people as to **when, not if**, they will be evicted. This has led the traders to construct make-shift, ugly-looking structures that are poorly serviced, aesthetically unfriendly and environmentally unstable, from where they cannot reap the maximum economic benefits of their trade. The logic behind this is the fact that some city residents look at the structures where the informal enterprises operate as a nuisance, and thus do not need to be associated with them.

The need for survival, however, in an environment of rising unemployment in the formal sector, continues to draw thousands of the city of Nairobi's residents to invade the city's unplanned open-spaces, road reserves being the most preferred. What ensues is the 'informal' *jua kali* sector. Little attempt has been made to explore the possibility of accommodating them in national development agenda. Because of an inhibitive regulatory climate, this has not been made possible.

Questions about what constitutes the informal sector have for long been debated upon, yet continue to plague scholars and planners alike. But for the bits that they agree upon, it is not an issue if the informal sector in the Kenya good, or is it bad. Further, if the sector is viewed to be good, what dilemma remains is whether the informal sector activities have to remain informal or not. What hampers the performance of the informal sector how they can be eliminated or accentuated depending on the negativity or positivity, for optimized benefits is everybody's concern. But from a point of view of condemnation about 'informality', it is clear what ails the informal *jua kali* sector.

Despite the constant neglect of the informal economic sector, its contribution to development is fast increasing. The dominant story of production and growth in Africa, as in many low income developing and transition region is in the informal economy (Kessides, 2006) Kenya is a perfect specimen of this.

### **1.3 Objectives for Regularization**

This paper looks at the informal sector from the planning perspective. If planning, then is the activity and process of 'meeting the future before it arrives' it seeks to present a case for regularization of the informal sector, sustainable use, revitalization and management of the spaces occupied by these activities since the future of the activities of the informal sector are activities of the future. Specific objectives include:

1. To profile existing trading environments at the City Stadium *jua kali* cluster,
2. To explore the possibility of regularizing the informal *jua kali* sector, and of including the sector as a modern formal sector of the economy of Kenya, and
3. To recommend a spatial framework for integrating the informal economic activities within other urban compatible land uses.

This paper is premised on the hypothesis that the informal sector is a victim of its own means and does not suffer from the lack of regularization and regulation.

### **1.4 Nairobi: Kenya's Economic Pace-Setter.**

The City Council of Nairobi (CCN) (2006)<sup>vi</sup> observes that from a Municipality that was initially established for a population of about 200,000, Nairobi has rapidly grown to a City of over 3 million people and a day population of nearly 6 million. Whilst this rapid growth has brought new resources to the City particularly in the range of revenue sources, the City's development has not been managed in tandem with the economic and demographic growth. As a result, the City Council has faced a considerable strain in meeting the demands of this growth resulting in gradual deterioration in service delivery and quality of life in the City. In this respect, Nairobi is seen to continue to have the dubious distinction of being the Capital of a declining social and economic landscape of the Country as a whole. Whatever ails Kenya, be it poor leadership, corruption, poor service delivery, uncoordinated development,

tribalism, crime and other forms of disrespect for the rule of law, poverty or political hooliganism and bickering, Nairobi is seen to be the Capital!

But while the capital continues to be a leader in all things pertaining to quality of life in the country, the resources of the city continue to dwindle. Statistically, 70% of residents in Nairobi control only a marginal 30% of the city's capital resources while the remaining 30% command the 70%. This applies to resources like land and employment opportunities. Coupled with a high rate of migration of people from the rural areas into the city, competition of resources, especially among the lower classes, ever sky-rockets. This trend has pushed the low-income earners to revert to the informal sector to meet their livelihood needs. On the informal sector front, Nairobi still remains a leader. Of the 6,814,900 jobs created in the informal sector in 2006, Nairobi accounted for almost a quarter of the employed population offering 1,645,800 opportunities in the different forms of informal sector activities implying a concentration of informal activities in the city (Kenya, 2007)<sup>vii</sup>. Indeed from the assessment of the CCN, this is a considerable

To solve the underlying problem, first it is important to recognize the importance of the informal sector. This would then help if it is rewarded with formal recognition (regularization) so that the inputs in the sector are no-longer seen as fringe efforts but mainstream, just like the current formal sector. This can be achieved through spatial planning as a trigger for spurring development.

### **1.5 Case Study**

To illustrate the spatial planning aspects of regularization of the informal sector in Nairobi, it is important to identify a cluster that exhibits the properties of the ISA operation sites. The cluster selected for this illustration is the commercial *jua kali* niche on Jogoo Road, opposite the Nairobi City Stadium, just off its nook with the Lusaka Road Roundabout. Site-selection is based on the size of the *jua kali* cluster which features an active commercial market within the defined bounds of the above-stated nook, the City-stadium fly-over on Jogoo Road forming the east-most extent of the site.

On the whole, two types of informal sector activities have been identified to exist in Kenya (Oyugi, 2001)<sup>viii</sup>:

1. Coping strategies (survival activities): casual jobs, temporary jobs, unpaid jobs, subsistence agriculture, multiple job holding;
2. Unofficial earning strategies (illegality in business): (a) Unofficial business activities: tax evasion, avoidance of labor regulation and other government or institutional regulations, no registration of the company; and (b) underground activities: crime, prostitution and corruption - activities not registered by statistical offices.

This study focuses on the on the legally acceptable coping strategies of urban informal sector activities (ISAs) spatially located along the above defined space. The emerging ISAs in the study areas include commercial activities, e.g. sale of second hand clothes and shoes, and the service sub-sector, e.g. scrap metal dealers and food vendors.

### **1.7 Laying the Foundation**

Appreciating the presence of informal activities, rather than treating the sector as the unwanted '*child of our society*' can reduce a lot of the host of the problems highlighted. The paradox is that the '*unwanted child*' is the savior of millions of residents, of not only the City of Nairobi, but in most of Kenya, and ought not to '*die*.' The good news is that if accepted and treated well, the '*accepted child*' is a sure engine for development, again not only for the city of Nairobi, but also to Kenya, and a many other countries of the world. The analogy may well not fit piece for piece, but the importance of the informal economy for the survival of the city of Nairobi can no-longer be ignored.

The current focus on the informal economy thus arises primarily from the fact that the informal sector actually encompasses a wide range of distinct economic activities or

subsectors. In addition, whereas the informal and formal sectors were previously considered to be two distinct economic sectors without direct links to one another, it is generally agreed nowadays that the two sectors are in fact dynamically linked to form a continuum of economic relations (Chen, 2004)<sup>ix</sup>.

## 2. Theoretical overtones

### 2.1 overview

The first main study was done by the ILO Mission to Kenya in 1972. One of the important findings of the ILO (1972)<sup>x</sup> report in Kenya is that a substantial proportion of urban workers are self-employed in small enterprises. These firms are mostly unregistered; the workers have lower earnings than their counter-parts employed in the public service, larger industries and commercial enterprises of the formal sector. The report further revealed that disproportionately large share of the additions to the urban labor-force, resulting especially from rural - urban migration tends to be absorbed in such small enterprises. The report adopted Hart's (1973)<sup>xi</sup> terminology, defining such small enterprises as the "informal" sector activities (ISAs).

The ILO's (1972) report suggest that the ISAs are characterized by the following criteria:

1. Ease of entry.
2. Reliance on indigenous resources.
3. Family ownership of the enterprise
4. Small - scale in operations
5. Labor intensive and adoptive technology
6. Skills acquired out of formal school system.
7. Operate on unregistered and competitive markets.

One attribute of the sector as seen by ILO (1972) which presently does not hold fort for the sector is the small scale of its operation. Ever since the sector has been a major employer, some of the small scale employers have moved from strength to strength. The small size was previously a factor of the locality and shortage of the markets. However, the sector operators have managed to source for markets overseas, making some of the informal enterprises, by their sheer capacities and outputs to be viewed as formal.

### 2.2 Evolution of the Informal 'Jua Kali' Sector in Kenya.

It has been noted by a number of scholars and researchers like Obudho (1981), Mochache (1990)<sup>xii</sup> and Atieno (1986)<sup>xiii</sup> that the evolution of the informal sector in Kenya can be traced back to the early 1960's, when the newly independent state introduced trade licenses, works permits and state-owned monopolies, as part of the broader strategies for economic indigenization. Since then, this sector has witnessed bustling activity and renewed interest, both by external agencies and the government, with desire to intervene directly, which contrasts with neglect which characterized the early years (Oyugi, 2001).

Since then, the continued use of the term 'informal', development and growth of the sector has remained on the upward trajectory. Other notable landmark periods of the evolution of the sector in Kenya have been identified as the visiting of the Kamukunji informal industrial estate by the then president Daniel Moi in 1986. This visit revolutionized the view of the sector when the Moi Government restructured the policy environment to accomodate the sector though construction of the 'Nyayo sheds' where the industrialists were to operate, as well as possibility of security of tenure among other policy decisions.

The hallmark of the recognition of the sector came at the publishing of the Sessional Paper No 1 of 1986 on "**Economic Management for Renewed Growth**."<sup>xiv</sup> By the time it was released, the casual term "Informal" sector was given a new positive dimension by being substituted with the term *Jua-Kali*. The Sessional paper highlighted the potentials of the

sector and how to change its image, from an employer of last resort to a spring of technological innovation and aggressive entrepreneurship. This paper, prepared against the background of declining economic growth, introduced radical changes and outlined a development strategy, which put great emphasis on the informal sector development. In 1989, the Government of Kenya (GoK), through the Ministry of Planning And National Development published a document entitled '**A Strategy for Small Enterprises Development in Kenya: Towards the Year 2000**'<sup>xv</sup>. This paper focused on the constraints the sector was experiencing. The constraints were broadly classified as:

- The enabling environment
- Investment and finance
- Promotional problems, programmes and enterprises culture.

The constraints subsequently formed the basis for designing fairly focused policies on the sector. By 1992, the policy focuses had been refined and was published as sessional paper No.2 of 1992 on '**Small Enterprises and Jua Kali Development in Kenya**'. This paper has since served as the basis of all programmes for the development of the sector. An Agenda for Action was defined covering a period 12 to 24 months in those areas considered crucial for the promotion of the informal sector. This period expired in February 1994. Early in 1994 under the agenda for early action through assessment of policies the government carried out strategies and programmes. The obstacles inhibiting growth in the sector were identified and further analyzed. The following issues emerged;

- Weak or non-existent coordination mechanism among the multitude of actors involved in various levels of policy implementation thus producing results of minimal impacts. Furthermore, the government's capacity to play its facilitative role was weak and required strengthening.
- The regulatory environment still remained hostile to informal sector activities, despite the review of the disabling by laws and regulations inhibiting the sector's growth. This was due to inadequate dissemination of information to the implementers.

In order to address these issues the Micro-Small Enterprises (MSE) unit in the ministry of Planning and National Development was upgraded to a division with two distinct sections. The first section was policy section, mandated to develop, monitor implementation, coordinate policies, disseminate information to the target population, and further assess the impact of the policies on the beneficiaries. The second section was the deregulation unit, mandated to facilitate the creation of an enabling environment for promoting the informal sector. This was to be achieved by addressing the existing constraints, specifically those regulations that proved punitive to the sectors developments (Oyugi, 2001)

Even in its formative years the informal sector was a force to be reckoned with, first, having pushed the Africans ahead, and even through the first two regimes that were characterized by resource misappropriation. But even having evolved thus, the informal sector continues to form an important driving force for economic development, employment creation as well as an important tool for poverty reduction. However, the sector has not been sufficiently harnessed to add to its tasks,

### **2.3 Sustainable development**

Sustainable Development gains its fame from the 1987 Brundtland Commission Report which crystallized it as *development that meets the needs of the present without compromising the ability of future generations to meet their own needs*<sup>xvi</sup>. In this spirit, Spatial Planning in Kenya attempts to meet space needs for activities but its rigidity presents that most of the available spaces are utilized for specific formal activities.

### **2.4 Informal Sector and Sustainability**

A thriving urban small-scale and informal sector has long been recognised by development analysts not only as one of the "indigenous" characteristics of developing countries, but also

as a prosperous and significant sector to the economy (Portes, Castells and Benton, 1989; Firdausy, 1995; Azis, 1997; Yankson, 2000; Suharto, 2000; Suharto, 2002)<sup>xvii</sup>. This sector that has been referred to as the informal sector to distinguish it from the modern sector is described as consisting of "... all small-scale activities that are normally semi-organized and unregulated, and use simple labour-intensive technology... undertaken by artisans, traders and operators in work-sites such as open yards, market stalls, undeveloped plots, residential houses and street pavements... not registered with the Register of Companies, they may or may not have licenses from local authorities for carrying out a variety of businesses." The informal sector has been efficient at utilizing waste materials such as old tires, scrap metal, etc. to produce goods and provide services that otherwise would have been imported or would be too expensive for low income sectors. These small businesses are often started by individuals with little capital and with virtually no support from the government or Non Governmental Organizations.

The urban informal sector contributes to urban development in multiple ways. Amongst others, it generates employment for an expanding urban workforce as well as provides much needed flexibility and innovation in the economy. In the absence of social welfare benefits, the urban informal sector can also serve as an informal and natural mechanism of social protection. As long as the modern formal employment sector falls short of providing the much needed jobs for the ever-increasing urban populations, the informal sector will be here for a long time. The concept of sustainability covers issues affecting the economy, society and the environment, all factors which are at the centre of the informal sector.

### **3. Operational dynamics**

#### **3.1 About ISAs Operators**

In 1999, it was estimated that street-based workers in Kenya numbered more than 415,000, with Nairobi accounting for about 200,000 (World Bank, 2004). In Nairobi, 58 percent of street vendors are aged 35 years and under, and 68 percent are married women with at least two children. These women rely on street trading to maintain their families, with hardly any assistance from relatives (NCBDA, 2004, UN-Habitat, 2006). In Kenya as in many other African countries, women's access to the labour market is consistently more difficult than men's. Employment opportunities as wage-earners are often denied to women because of their family responsibilities, lack of skills, social and cultural background or lack of opportunities. In this context, self-employment or running micro-enterprises can give women the only opportunity to get access to employment and earn a living. This makes them entrepreneurs in the strictest sense of the definition.

However, women's contribution to the informal economy often goes unrecognized and undervalued in official statistics, just like their work in the domestic and agricultural sectors (Nugent and Keen, McCormick & Pedersen, 1996, UN-Habitat, 2006).

A significant proportion of those engaged in the informal enterprises are proprietor employees (75%). This clearly indicates that the sector is a key employer. However, this positive observation is turned down by the fact that sole ownership accounted for 87% of the enterprise surveyed. Partnerships accounted for 10% while joint family (husband wife ownership) accounted for 3%. The main disadvantage of sole proprietorship is that it is vulnerable to failure in the event of negative eventuality and further, it lacks mix of talents, further limited access to credit facilities which are important for enterprise expansion.

#### **3.2 Trends of Growth of the Informal Sector**

The Kenya Economic Survey of 2008, indicates that in the year 2007, the informal sector created 426.9 thousand new jobs compared to 420.4 thousand jobs in the previous year. It was estimated that 7, 475.6 thousand people were employed in the sector during the same

period, with Nairobi having 1, 806.0 thousand employees in the informal sector; almost a quarter of the informal jobs in the year 2007 (Kenya, 2008)<sup>xviii</sup>.

The UN-HABITAT (2006) has identified that in Nairobi, lack of access to workspace is complicated by land allocation and tenure issues, and further made worse by the stringent building standards and regulations controlling provision of utility services such as electricity, roads and water. Absence of legal titles entails lack of access to credit, harassment by local authorities, and disincentives for the development of, and capital expenditure on, the worksite, which in turn discourage improvements in technology and productivity. This is reflected on the nature of the work spaces where the informal sector operates. On the whole the informal sector is expected to accommodate the populations that the formal sector cannot cater for. This way, it is important to properly plan for them.

## **4. Implementation and management**

### **4.1 The Case for Regularization**

In response to economic hardships and poverty reduction, many governments in developing countries have embraced micro-enterprise development most of which takes place on contested spaces. Kenya has not been left behind in embracing innovative utilization of urban public spaces. The City Council of Nairobi appreciates the benefits of using some urban spaces for uses other than the primary designated ones. The weekly Maasai Market held at the law courts parking area and the introduction of model kiosks on unused spaces within road reserves are commendable. The challenge that lingers is therefore how to regulate the sector

Regulation of the informal economy is necessary not only for the purposes of raising tax revenues, but also for ensuring compliance with minimum labour, health, environmental and product quality standards. However, where regulation is excessive and inadequately enforced, it will effectively increase the cost of entry and operation, and contribute to the growth of the informal economy (Bannock, Gamser and Juhlin, 2003, UNHSP-HABITAT, 2006).

Planning for the informal sector activities is just one of the ways for regularization. With respect to the legal and institutional framework of planning in Kenya, there is never recognized a sector called the informal sector, and so the first step, usually, is planning to get rid of the mess that is the informal sector.

### **4.2 Site Characteristics**

The area is generally flat and slightly slopes northwards from Lusaka road towards Jogoo road. The informal market around the city stadium is covered by few scattered planted trees along the city stadium wall. A few patches are covered with grass.

The market is located within a road reserve, occupying unused spaces of the Road Reserve.

### **4.3 Trading Space Character**

- The current Trading Spaces are disorganized. Structures have irregular pitch sizes.
- The market has narrow circulation paths, basic infrastructural facilities or services.
- The stalls are poorly constructed and lack aesthetic appeal.
- The current street trader located on site totals to a population of about 350.
- Traders are faced with insecurity of trading space.
- Stalls are fixed temporary structures made of wood, and scrap corrugated iron-sheets and black polyethene paper in most cases
- An ideal stall measures 4.6sq.m and the display level is 0.8m from the floor.

#### **4.4 Emerging issues**

- Insufficient infrastructure
- Lack of clearly defined activity areas
- Insecurity of trade in terms of space tenure.
- Poor circulation
- Employment opportunities
- Market for products

**Plate 1.1: Bird's Eye-View of the City Stadium Jua Kali Trading Site.**



*Source: Field Survey, 2009.*



Figure 4.1: Typical Advisory Plan: The Outcome of Regularization.



Source: Urban Innovation Studio, 2009<sup>xix</sup>, (Adapted from Komollo, 2007)<sup>xx</sup>

#### 4.5 Cluster Design

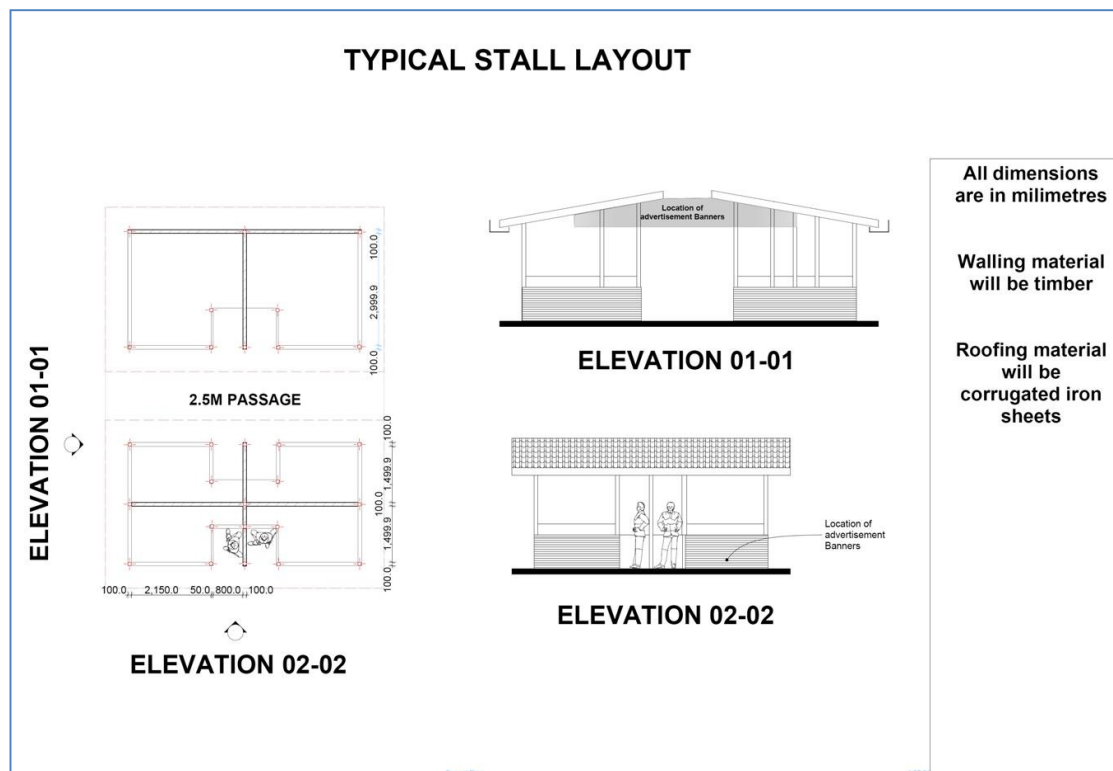
The design proposes a cluster concept. Each Cluster has a central point and well defined entrances

- Stall sizes: 3 x 1.5 to 3 x 2.5metres.
- Circulation paths: 2.5-4 metres.
- Woody tree plantings around and within cluster to enhance the landscape.
- Eateries and water points within Clusters.
- Toilet facilities to be provided
- Fire safety measures will include: fire hydrants, safety information and signage (fire exits), adequate circulation to reduce congestion in case of fire outbreak.
- Waste collection points are provided

#### 4.6 Stall Design

- The material will be recycled metal.
- All stalls measure 3 x 2 meters
- Columns will be constructed to a height of 2.5 metres while the height of stall from the ground to the display level will be 0.9 metres.

Figure 4.2 Typical Stalls



Source: Urban Innovation Studio, 2009

#### 4.7 Site Management

- Operating Hours: 8.00 AM to 7.00 PM.
- Trading from Monday through Sunday.
- Pitch allocation and Licensing to be done by the Market Authority which will control the allocation of space to traders. Licensing of traders is the responsibility of the City Council of Nairobi.

It is important to note that the proper arrangement of the clusters as opposed to the state of chaos currently experienced on this particular site will actually accommodate more.

#### **4.8 Broad Policy Recommendations**

The full implementation of planning projects after the ISAs are regularized will be through review of existing, and formulation of new policy regulations to accommodate small businesses in the sites they occupy.

The key piece of legislation that will trigger development of the ISAs at regularization is the Local Government Act (Cap 265)<sup>xxi</sup> stipulates the roles played by the local authorities in the provision of services and facilities including market facilities. *Section 201* of the Act empowers the local authorities to make by-laws. By-laws are efficient tools of regulating various operations within a given development such as a market facility.

*Section 166* of the Act empowers the local authorities (LAs) to prohibit, and control the development and use of land and buildings in the interest of the proper and orderly development in its area. Thus it will be within the powers of the CCN to implement this proposal.

This study highlights that the ISAs should not be excluded from the urban economy as they are the future of urban communities in the developing countries. Therefore, there is a need to shift the policy paradigm from locational evictions to educational and structural integration within the framework of participatory urban policy making. The paper advises the CCN and other local authorities to formulate policies that specifically address and are sensitive to the characteristics and interests of the ISAs within the context of the urban built environment. The following are recommended:

1. Legislative recognition and express identification of the informal sector *jua kali* activities in the Local Government Act
2. Existing administrative responsibilities for the informal sector spread over many government departments. They should be integrated under the municipal authority to form part of a larger department concerned with the ISAs.
3. Provision should be made for the ISAs in all Strategic Development Plans plan by institutionalizing systems in which formal and informal sector activities can co-exist.
4. Recognition of the informal sector activities in the CCN by-laws, stipulating the areas where they may be allowed, including some allowed road reserves and public streets, for periodic or permanent (albeit as long as the spaces continue to exist)
5. Integration of space specifications of the different categories of ISAs (industrial, commercial single location or itinerant, or service) within the Building Codes and other adoptive by-laws and planning handbooks, based on the site characteristics, to guide the LAs on development control of ISA sites.
6. Regulation of the locational power if the ISAs in the LAs, including the city of Nairobi, giving priority to the original user of the space initially allocated the spaces, whether road reserve, street or otherwise

Given that the informal economy is here to stay and that the informal and formal economies are intrinsically linked, what is needed is an appropriate policy response that promotes more equitable linkages between the informal and formal economies and that balances the relative costs and benefits of working formally and informally. While the focus here is on the role of government, there is a role for all stakeholders, including for formal firms in promoting socially responsible corporate practices and for organizations of informal workers in policy making (Chen, 2007). Proposals for regularizing the ISAs, especially for the benefits of their operations and planning will translate not-only to the benefit of the ISA operators, but also to the LAs in terms of revenue collection as it will be possible to effectively ask for ground-rent and rates, and rightfully so, from the operators. Further, the LAs will not be bound to shift priority for the purpose for which spaces have been planned, but rather will accommodate positive use of spaces that have been identified. Furthermore, as the city-dwellers' economic capacities are enhanced through regularization, the problems associates with the informal sector will no-longer be seen, including environmental and visual pollution, nuisance to

passer-by, hampered pedestrian movements on pedestrian-walkways among the cocktail of problems that come with the informal sector will be alleviated.

#### **4.9 Concluding Remarks**

Regularization is the first step towards strengthening of the informal *jua kali* sector. Integrating the small business sector in the urban planning system will create a positive identity in the mode of operation within the sector. This will reduce conflicts experienced between urban authorities and the small business traders.

The proposed planning policy interventions will enhance orderly utilization of limited urban space and secure areas of operation for the business operators than is the case currently. This will also improve the aesthetic appeal of the sites. The interventions will create a conducive environment where the small business sector can thrive and contribute significantly to the economic output of towns, cities and the country as a whole through secure livelihoods. The same planning policy interventions could be replicated in other urban centers thus positively changing the face of the entire urban Kenya sustainably.

#### **ABOUT THE PAPER:**

This Paper forms Part of 3 studies that the author has been engaged in since 2007:

1. Author's Undergraduate Research Project titled: '*Spatial Regularization of Informal Sector Activities in Nairobi: case study of the Jogoo-Landhies Roads Facade*', an unpublished BA (Planning) Research Project, University of Nairobi, 2007.
2. Author's undergraduate Planning Development Project titled '*Revitalization of Informal Sector Activity Sites, the Case of the Landhies-Jogoo Road Façade*', an unpublished BA (Planning) Development Project, University of Nairobi, 2007
3. An Urban Studio (and ) titled '*Planning for Unused Spaces on Road Reserves*' an unpublished MA (Planning) Urban Innovation Studio Report, University of Nairobi and The City Council of Nairobi, 2009.

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