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Governance and its Implications for Gender Inequalities in the *Jua Kali* Economy in Nairobi

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1.0 Introduction

“(Kipruto arap Kirwa, Minister for agriculture, Standard on line 31, 10-2004).” The wealthiest 10 percent in Kenya have 42 per cent of the country’s income while the poorest 10 per cent earn less than one per cent of the income

Gender inequalities and limited life chances for women in the jua kali economy are key governance challenges for the Kenyan government in its Economic Recovery Strategy for Wealth and Employment Creation. Consequently, there is need for the government to come up with strategies that will address gender inequalities and subsequent limited life chances for women in the jua kali economy.

Governance comprises a whole range of issues which include accountability, transparency, participation and representation in all spheres of the government (Oketch-Owiti and Kibwana 1994). It also consists of tools, organs and avenues for managing citizens’ social economic affairs. Governance is a prerequisite for development and subsequent amelioration of inequalities and improved life chances for people. Governance attributes that spur
economic growth include an environment bound by a legal and regulatory framework, and an ideology and strategy for motivating citizens into economic action.

The relationship between governance with flourishing and thriving economies is now widely acclaimed (Bates et al. 2004). Democratic regimes supposedly spur and engage citizens into economic action and broaden their latitude of life chances as well as reduce inequalities in the country. This twin relationship between politics and economics is being experimented and we are yet to see its fruits.

This paper spotlights the perception of women and men of the effects of governance on the jua kali economy and the state of the art position of gender inequalities and life chances. Specifically, the paper addresses two questions: What is the relationship between governance and the business climate for the jua kali economy in Nairobi? And how have the changes in the jua kali economy impacted on gender inequalities and life chances of women and men in Nairobi?
2.0 Definition and Composition of the Jua Kali Economy

2.1 Definition of Jua Kali

Maundu (1987) defines *jua kali* enterprises as small workers eking out their living by manufacturing products and providing services in the open air. Other analysts categorise these micro and small businesses found in cities in Africa and other developing countries as the informal sector (ILO 1972; Hart 1973; King 1997; House 1984; Ikiara 1988; McCormick 1988; Kinyanjui 1992; King 1996; Macharia 1997). The *jua kali* economy is also viewed as an arena of super exploitation where disguised workers add to the coffers of international capital (Cross 2000) and only exist because large capital wishes them to do so (Moser 1978; Tolkman 1978; Kinyanjui 1992). More recently, the informal economy is being referred to as the unorganised sector.

In this analysis, the term *jua kali* is used to describe self-driven, economic, social and political organisations and individuals engaged in a wide range of micro and small businesses found in cities and rural areas in Kenya. The businesses constitute people’s creative response to governance processes and institutions that have sidelined and alienated them from what is considered mainstream national economic and political institutions for decades. It is used in a broader context to describe micro and small enterprises that
not only lack a roof to shelter them from the tropical sun but thrive and create jobs for a large majority of Kenyans.

*Jua kali* economic activities include furniture making, metal work, vehicle repair, garment making, leather and shoemakers, grocery and clothing traders. This service providers have for decades chosen to do business in their own way despite their alienation from the official economy and demand for change and formalisation made by development agents. The firms have evolved market and social institutions that define their business rules and regulations (Kinyanjui and Khayesi 2005). These institutions include self-help groups, women social networks, religious organisations, family and same sector organisations. These institutions are used in exchange transactions, marketing and maintaining disciplines in *jua kali* enterprise clusters. *Jua kali* enterprises have also been able to creatively respond to the changing social and economic environments. Although they play a critical role in the economy, they have been excluded from mainstream economic governance.

The term *jua kali* is a popular culture terminology that people involved in micro and small businesses use to define themselves. It is used most often to describe male-owned businesses. The
term’s hidden meaning is symptomatic of the context in which \textit{jua kali} economic activities are carried out which include and describe the difficult working conditions, lack of adequate resources and supportive social, political and physical environments. It is based on the ideology of hard work, self-reliance and the need to do something for oneself. It is propelled by technologies learnt on the job or through intuition.

2.2 The evolution of the \textit{jua kali} economy

The evolution of the \textit{jua kali} economy is strongly embedded in the politics of managing rapid urban growth of Nairobi, sharing of resources and control of means of production in the city\textsuperscript{1}. While the Africanisation of the means of production and resources was taking place after independence in Nairobi, by and among the political and bureaucratic elite, using funds from organisations such as Industrial, Commercial and Development Corporation (ICDC) and the Development Finance Corporation of Kenya, a large proportion of the urban population was sidelined. The people excluded from the mainstream socially organised themselves and raised money and started operating micro and small enterprises in the \textit{jua kali} economy. They raised money and shares to buy land and commercial buildings in the city. The proceeds from
these joint ventures were later shared among members and through them individuals were able to own property in the city.

Presently, *jua kali* economy constitutes economic activities that were designated for African urban migrants in the city of Nairobi during the colonial era. These economic activities included trading in African foodstuff—cereals, bananas, flour and vegetables, firewood, charcoal, kerosene and clothes. Production and transactions were organised around the African periodic market systems whereby trade activities were carried out in the open. These African markets were formalised and housed in large buildings located near African quarters in the city of Nairobi. Transactions were carried out in small scale and were characterised by daily deals. This form of production has evolved to become the backbone of the African way of organising production. During its evolution, the economy adapted and responded to the changing needs of the population and social economic changes that were deeply rooted in the social transformations of the nation state.

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1 Some markets like Burma and Kariakoo in Nairobi were created for the resettlement of African soldiers who participated in the Second World War.
The *jua kali* economy right from its formation reflected a people’s struggle to respond and negotiate their position in the city as well as assert themselves in the urban space. Thus, from the beginning, the relationship between the government and the *jua kali* has been characterized by formidable struggles over land, access to the Central Business District (CBD) and infrastructure. The *jua kali* economy is an economic political movement of people unified by difficult working conditions and their desire to access and control resources and means of production in the city of Nairobi and other towns. This is reflected by the *jua kali* entrepreneurs’ resistance to local authorities’ attempts to relocate them such as the case of Mworoto informal settlements (Otiso 2002; Macharia 1997; Kinyanjui 1998;). The entrepreneurs rarely relent even after losing their merchandise through fire or confiscation of goods by the city authorities. After the fights with local authorities, they re-group and move on to the next site. The entrepreneurs have resisted formalisation as a process of making them part of the official economy, by the government, civil society and development support partners in the last three decades since ILO 1972 brought these enterprises to the limelight.

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2 See the case of Ziwani *jua kali* entrepreneurs who had moved to several sites before settling in the current site Kinyanjui, 1998.
During the economic-political crises of the 1980s, the government embarked on a process of courting *jua kali* to come into the so-called mainstream economy and political arena\(^3\). The then president began the process by making official visits to two *jua kali* clusters: Kamukunji and Ziwani in Nairobi. Immediately after the presidential visit, construction of roofed sheds began in Kamukunji and Ziwani. The entrepreneurs were also encouraged to form welfare organisations through which the government would transfer resources to the *jua kali* economy. City managers were directed to allocate land to *Jua kali* operators (chairman of a *jua kali* association in Nairobi). This newfound relationship between *jua kali* and the government was determined by the rules of the government. Allocation of land to *jua kali* operators was made, but it was not based on negotiations or consideration of business locational factors in the city.

The 1986 Sessional Paper: No. 1 Economic Management for Renewed Growth, a landmark document, laid out the trajectory through which World Bank’s structural adjustment economic

\(^3\) The relationship between the *jua kali* economy and the state can be analysed using four epochs 1963 - 1973; 1974 - 1978; 1979 - 2002; 2003 - 2004. It is beyond the scope of this paper to discuss the evolution of governance in Kenya. See Murunga, 2004 for the evolution of the governance in Kenya. In this paper I will only consider the *jua kali* state relationship from the 1980s.
reforms were to take place. It included the *jua kali* as an integral component in the revival and renewal of the economy. During the reform period, the *jua kali* economy would provide employment and income as safety nets for the poor and women.

The government’s effort to bring the *jua kali* economy to the official or mainstream economy was endorsed with the writing of the Sessional Paper No. 2 of 1992 on Small Enterprise and The *Jua Kali* Development in Kenya. The paper reinforced the role of *jua kali* in the economy and mapped out the strategies that would be pursued in the formalisation of the *jua kali* economy. In addition to this, a full-fledged ministry, The Ministry of Research Technical Training and Technology was also created to manage the affairs of the *jua kali* economy. Land and titles to land occupied by the *jua kali* economy were rationalised to provide them with security of tenure.

In order to actualise the role of the *jua kali* in the economy, the government, NGOs, and development partners initiated programmes on skill development, financial support and the promotion of entrepreneurial culture among *jua kali* operators. This set the field for needs assessment for micro and small enterprises which led to the formation of many NGOs that aimed
at providing skills and credit to these enterprises. Examples are Kenya Rural Enterprise Programme, Kenya Women Finance Trust, Pride, Improve Your Business, WEDCO, and SITE. Tool kits for monitoring and evaluating the performance of the *jua kali* economy were also developed. Multilateral and bilateral donor agencies and United Nations organisations such as ILO, UNDP and UNIDO embarked on support programmes for assisting the jua kali economy.

Whereas this was a positive move, not many jua kali entrepreneurs responded positively towards the support provided. For one, *jua kali* land was to be managed as common pool resource, the entrepreneurs wanted individual titles to land, not group titles. Although they operate as a group, the entrepreneurs are largely independent, a fact that was neglected or ignored by policy makers and planners on the land policy for jua kali. Secondly, emerging social movements in jua kali are geared towards more autonomy and dependence on the self rather than towards becoming part of the mainstream economy. There has been great support from both local and foreign institutions to enhance support to businesses in the *jua kali* economy. The central concern for *jua kali* is how the means of production and the distribution of resources.
As the economic political crises deepened in Kenya and the call for political change in the country intensified, the *jua kali* sided and aligned itself with the struggle for political change. Indeed, the *jua kali* transport sector was the first to use the two-finger salute that symbolised the ushering in of multiparty politics in Kenya (Khayesi 2001). Since 1992, the voting pattern of *jua kali* operators was in favour of opposition parties and in 2002 they joined other Kenyans to overwhelmingly vote for NARC, the opposition coalition that took over power from the ruling party KANU. The victory of NARC was a *jua kali* economy victory. It is with this in mind that we set out to investigate how governance trends in the NARC government have impacted on the *jua kali* economy and its implication to gender inequalities and life chances?

### 2.3 Perspectives on the *jua kali* economy

Since 1970s, a strong academy involved in the study of the *jua kali* economy has emerged (King 1977, 1996; Manundu 1987; McCormick 1988; Ngethe and Ndua 1992; Kinyanjui 1992, 1998; McCormick and Pedersen 1996; Macharia 1997; Alila and Pedersen 2001). The academy provides rich empirical information on the nature and constraints faced by *jua kali* entrepreneurs, such as credit, skills, markets and technology. Indeed, these
constraints were seen as the key missing inputs deterring the jua kali from playing its role in the national economy.

The support to the jua kali economy coincided with the global change of attitude towards small enterprises occasioned by the collapse of Fordism and the dynamism associated with small enterprises in countries like Italy, which were said to be flexibly specialised. While MSEs in the developed economies in the North and the West were characterised by dynamism, those in the South, and Africa in particular, were riddled with multiple problems.

In response to the issues raised by the academy, the government, non-governmental organisations and development partners came up with strategies to support the jua kali economy such as credit, business development services and skill development. Though the prescriptions were well intentioned, they failed to address the political question of jua kali subordination, control of means of production and resources, cultural domination and underlying gender concerns characterizing it.

3.0 Methodology

This paper reports findings based on data collected from official documents, secondary sources, case histories and forty-seven
case studies of *jua kali* enterprises in Nairobi. The case studies were interviewed between January and May 2004. The case studies in vehicle repair and garment enterprises were selected from databases from previous research at the Institute for Development Studies University of Nairobi. The furniture, metal and cereal traders were purposively selected from clusters in Gikomba (Quarry Road,), Jogoo and Juja roads. Open-ended questions were used for in depth interviews with the case studies. The interviews were tape recorded and then transcribed. Due to the small size of the case studies, we cannot generalise the findings of the study to the entire spectrum of the *jua kali* economic activities. We can only show the direction of the trends that are taking place in the *jua kali* economy in this era of new governance in Kenya.

4.0 Governance in Africa

4.1 General governance concerns in Africa
The economic and political crisis in Africa is a reality that can no longer be taken for granted. Civil wars, coups and existence of authoritarian rulers in several African countries over the last two decades are clear indicators of the governance crisis. These, coupled with human rights violations, debt crises, collapsing economies and the general lack of the rule of the law are clear
indicators of poor governance. The collapse of African economies and increased inequalities between the rich and the poor, men and women, and failure to deliver public goods to the citizens largely reflect the non-accountability and poor management of economic affairs by many governments in Africa. This economic political crisis in African countries raises the fundamental questions of what happened to the visions and enthusiasm that African leaders such as Nkrumah of Ghana, Kaunda of Zambia, Obote of Uganda, Nyerere of Tanzania and Kenyatta of Kenya had at the time of their countries’ independence. New thinking is stipulating that good governance involving the democratisation of institutions in African countries will resolve the economic political crisis in Africa. However, there is no single definition of good governance.

The political science academy both inside and outside Africa has propounded several definitions of governance (Murunga 2002; Oketch-Owiti and Kibwana 1994, Bates et al. 2004; Wohlmuth 1998; Nzomo 2003; North 1990; Tandon 1995; Adejumobi 2000). The main features of good governance as stipulated by the academy are: effective public administration, a functioning legal framework, efficient regulatory structures and transparent
systems for financial and legal accountability and political order. To many analysts, the principle pillars of good governance are lacking in all African countries. This lack of good governance is a major obstacle to Africa’s development agenda. Critics of the term good governance tend to view governance as a foreign concept originating from the World Bank and the International Monetary Fund. Tandon (1995) shares similar views with those of Wohlmuth (1998) that there were local voices calling for governance change in African countries. Wohlmuth (1998) states the following: “Western governments and certain kinds of western academic literature would fool you to believe that

\[\text{There is a big debate surrounding the issue of governance in Africa. Some authors argue that the World Bank is imposing the discourse on good governance on Africa. The young democratic governments have not been given time to grow and evolve within the difficult political terrain of Africa. A terrain characterised by multicultural and multiethnic institutions with deep-seated ideologies, identities and competing interests (see Murunga 2004).} \]

\[\text{In fighting independence, our people were fighting against colonial poverty. After independence, our leaders did not eliminate poverty. Instead, they only strove to move out of the house of hunger where they had been with other people before independence into the house of plenty that they now occupy together with former colonial masters. How could there be independence in a country full of poverty and whose wealth was still in the hands of foreigners? For raising this question, Odinga was lucky to escape with his life. When some of us joined Odinga in saying no to poverty, we were tortured, detained, imprisoned and killed (Koigi Wamwere. The rich are few because the poor are the majority; Standard online Tuesday Nov., 9, 2004.} \]
democracy is something that the west is trying to bring to Africa.” Murunga (2004) concurs with these sentiments by observing that in Kenya, local struggles against the otherwise authoritarian regime of past governments were in abundance (Murunga 2004).

It is true that there is an economic political crisis reflected in wars, conflicts, and failure of African countries’ governments to deliver services and public goods to the citizens but this is not an African crisis alone. Development models recommended to emerging nations in the post Second World War period such as import substitution industrial strategies, promotion of primary products for exports and strategies for managing labour surplus economies were but a Western perspective of what African development should be and the path that development should follow. These perspectives were advanced and largely influenced by Western economic and political thought.

4.2 Governance concerns and economy

Business climate constitutes of several variables including social, spatial, political and economic institutions. All these contribute to investment and business growth. Investment involves creating an enterprise that will combine factors of production to create a
product that will be sold to consumers and subsequently earn income for the producer. There is an emerging perspective that points to the existence of a close relationship between governance and the economy (North 1990; Wohlmuth 1998; Bates et al 2004). Strong political institutions define the rules of the game that govern economic action. They also reduce the humanly designed constraints that affect economic activities (North 1990). Bates et al (2004) argue that accountability and political order constitute the political foundations of economic development in Africa. They argue that “governments that are subject to electoral competition and that are thereby rendered politically accountable are more likely to produce collective goods rather than extract private benefits” (Bates et al 2004:21).

The issue of governance has usually been analysed at the broad African level. Analysis at the local or micro level such as the one proposed in this study is lacking. At the broad African level, it is difficult to conceptualise and operationalise governance attributes in all the African countries to a measurable variable. Thus, this study examines how governance trends are impacting on the business climate for the jua kali economy and how this in turn affects gender inequalities and life chances.
4.3 Governance and the jua kali economy

An improved business investment climate was a key pledge that NARC promised the electorate. The government charged the Ministry of National Planning and Development with the responsibility of developing the action plan for economic recovery between 2003 and 2007. The action plan is entitled the Economic Recovery Strategy for Wealth and Employment Creation. The plan’s sole purpose is to reverse the many years of poor economic governance in the country. The central focus of the plan is to create jobs through sound macro economic policies, improved governance, creation of an efficient public service and an enabling environment for the private sector to do business (Kenya 2003). The action plan committed itself to reducing inequalities in access to productive resources and basic goods and services. Upon implementation, the plan will translate into sustained economic growth, wealth creation and poverty reduction. In so doing, the plan would improve the well being of all Kenyans (Kenya 2003).

The plan further observes that, “the bulk of employment creation in the country will continue to be in small enterprises and the informal sector, but the focus during the recovery period will increasingly be on the formal sector and productive informal sector jobs” (Kenya 2003). The informal productive sector was
defined as that part of the informal sector that pays workers above the minimum wage. Right from the beginning, the government was going to use a selective policy in dealing with the *jua kali* economy, that is characterised by micro and small-scale operation. Under the plan period, the jua kali economy was supposed to compete for resources with firms from the privileged mainstream economy. The action plan is silent on the strategies and procedures of addressing inequalities, especially those related to gender and life chances. The government’s attitude towards *jua kali* does not seem to have changed greatly. The 2003 and 2004 budgets are a good illustration since only limited resources were directly allocated to the *jua kali*. This leads us to the question: what is the impact of the new governance on the *jua kali* economy and its implication for gender inequalities and life chances?

4.4 Governance, Gender inequalities and life chances in the *jua kali* economy

Women holding positions in the local and central government do not constitute a critical mass that would tilt the pendulum of power in their favour. This is attributable to the fact that women are the least educated, most unemployed, and lack access to income opportunities and financial resources. Due to the subordinate
position they occupy, most of the women operate businesses in the *jua kali* economy (CBS, K-REP, ICEG 1999; Kinyanjui 2003). Women are at the centre stage of the economic and political crises in Africa. They constitute the underprivileged workers and owners of small firms. The 1999 base line survey reports that 51.7% of micro and small enterprise owners in urban centres were women while the proportion of women micro enterprises owners in rural areas were 45.7% (CBS, ICEG and K-REP 1999). Needless to say, women constitute a significant majority of the *jua kali* operators where they serve as workers or owners of micro and small establishments. At the global level, it is estimated that 60% or more of women workers in the developing world are in informal employment. In sub Saharan Africa, 84% of women workers in non-agricultural work are employed in the informal economy. Kamau (2002) reported that 80% of the women household heads in Eldoret were involved in the informal economy where they traded in green groceries and cereals. Kinyanjui and McCormick (2001) observed that 70% of the micro and small scale garment makers in Nairobi were women.

Inequality between men and women in the *jua kali* economy in Nairobi is not just about numbers. Inequalities exist because of the lack of a culture of gender that uses relationships between
women and men in planning and resource allocation. Urban governance fails to address the socially constructed relationships between men and women in the city’s production activities. It is argued here that gender inequalities are the core and root cause of poverty among women. Without addressing the political question of inequalities between men and women, poverty reduction strategies and pro poor women growth strategies will remain a mirage.

The lack of official statistics notwithstanding, women in the *jua kali* economy are a formidable interest group. Unfortunately, the high proportions of women in the *jua kali* economy do not mean that they control the means of production or have access to resources allocated to it. Women occupy the lower segments of the *jua kali* economy while men dominate in the larger enterprises (Njeru and Njoka 2001). Except in garment making, women are involved in low value added economic activities such as the sale of vegetables, fish and cereals while men establish enterprises in metal work, furniture making and vehicle repair that have a higher value added. Due to the low value added in women’s economic activities, earnings are also lower than those of economic activities carried out by men (CBS, K-REP ACEG 1999).
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The story behind this gender inequality phenomenon is cited in studies that attribute it to the socialisation processes that women undergo right from birth. Other factors include: lack of resources, time, education, health, skills and motivation to do things for themselves (Kinyanjui and Munguti 2000; McCormick 2001; Kamau 2002; Njeru and Njoka 2001; ECA 2004). It is argued here that gender inequalities in the jua kali economy is a political outcome and a governance issue arising from the need to maintain women’s role of subsidizing the cost of male labourers in the public domain while through reproduction, women renew and nurture the nation’s labour force.

The jua kali economy is an arena where women and men invest their limited funds in order to enhance and better their life chances. Life chances which include good education, health, employment and income are public goods that a state should provide to its citizens so that they can live fulfilling lives (Taylor 2003; Aldridge 2004). The state should create institutions through which citizens can actualize themselves and live quality lives. The state could also work together with the institutions created by citizens to surmount their problems.
The *jua kali* economy is a life chance institution that underprivileged women and men have created to provide them with income and employment. The hard earned income is used for meeting their basic needs of food, shelter, health and clothing. Whether the *jua kali* economy contributes to these people’s social mobility is an issue of concern. If social mobility does ever take place, male entrepreneurs in the *jua kali* economy are more likely to move out from their under privileged position than women. As mentioned earlier, this is due to the fact that men invest in more value adding activities such as furniture, metal work and vehicle repair.

Income and employment are the only life chance opportunities that women gain from investing in the *jua kali* economy. It is unlikely for women to generate a surplus that would lead to social mobility like men. Due to higher incomes, time and socialisation, men are able to invest in learning and social networks that help them boost their businesses that are not available to women. This should not be taken to mean that women in the *jua kali* economy do not strategise. They are indeed very reflective and critical, but time, socialisation, security and social political institutions do not allow them to organise beyond welfare...
activities. Moreover, the social movements evolving among women in *jua kali* are directed towards enhancing their female gender identities rather than negotiating for improved positions in society.

The pooled saving schemes such as merry-go-rounds, table banking and rotating and savings credit schemes are not geared towards controlling means of production. Savings from these institutions are usually used for purchasing household consumer goods. Further, women also do not relate their underprivileged positions in society to other social and political institutions. When women activities are not performing well, they tend to blame themselves. Hardly do they associate their performance to deeply entrenched social and political institutions that have contributed to their subordination for a long time.

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6 For example, the women’s political caucus, a women’s lobby made up of 43 women’s organisations and 23 individuals and six members of parliament that was supposed serve the purpose of a midwife for women fledging unity that contributed to the temporary strengthening of the organisational and delivery capacity of the women’s movement split into two in 2000 (Nzomo, 2004).
5.0 Governance Trends and *Jua Kali* Economy

5.1 New Governance and *jua kali* expectations

*Jua kali* entrepreneurs had very high expectations for the NARC government. They expected many changes including improved business environment, access to resources and raw materials and markets. These changes were expected at the national and local business level. At the national level, they wanted changes in education, health and employment. At the local business level, the *jua kali* entrepreneurs wanted to see changes in the incentive structure that would lead to business growth. They wanted institutional changes that would protect the *jua kali* economy from unfair competition from imported cheap shoes and second hand items. They wanted the government to be strict in the enforcement of laws on importation of second hand goods to regulate the unfair competition between *jua kali* products and imports. They also expected that the government would contribute to the formation of an ideology that would change consumer

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However, the split was explained as a reflection of the fact that women can never agree or work together rather than being attributed to male deals that characterised the pre 2002 election power sharing deals between the political parties. Instead of forming a “super alliance” for women as Nzomo calls it. Unfortunately, women did not form such an alliance. Rather than have a women’s voice, they chose to speak through their tribal trumpets and seek security in the shield of the male power brokers who were daggling the carrot and stick to the women lobbyists.
behaviour of the majority of Kenyans who prefer imported goods to locally made ones as a shoe maker at Kariokor market observes: 

‘I expected that the government would address jua kali economy concerns that would lead to the improvement of jua kali businesses. Promote local enterprises for leather processing so that we do not have to import leather. Why is all the leather produced in the country exported disregarding the local needs of shoemakers? We need to see change in this area. I was anticipating that the new government would promote locally made goods, ban the importation of second hand clothes and shoes and reduce the Value Added Tax (VAT) for jua kali made products’.

The call for taming market liberalisation may appear unrealistic but the jua kali manufacturing entrepreneurs were adamant that they should be protected because they use local resources in production, pay rates and licences as well as create jobs. Similar sentiments were also echoed by a key informant who makes clothes in Uhuru market.
‘I expected my business sales to improve and that the new government would introduce taxes for imported goods including second hand and new clothes as these goods offer unfair competition to our locally made goods. I also expected that interest rates on loans provided by micro-finance institutions would be reduced and that the flow of money in the economy would be improved. Customers do not have money at all to spend on clothes.

One key informant expected that the new government would initiate a land reform and restore justice in distribution of resources and infrastructure in the city.

‘Look, most jua kali operators do not have security of tenure in the spaces they operate in. They occupy road reserves and undeveloped slots in the city where sanitation facilities are appalling and we live in very unhygienic condition. Yet the government expects us to be part of the national job creation process. How can we create jobs when we work in these overcrowded spaces? I would like to see improvements in the allocation of spaces and land
for the jua kali economy in strategic locations with well developed structures. I also would like to see changes in the bureaucracy and paper work involved in the importation of raw materials and equipment for use in vehicle repair.

5.2 Governance trends and the jua kali economy

It appears that the NARC government policies made at the broad national level to cater for the revival of the formal economy have impacted negatively on the jua kali economy’s access to resources, production and markets. Nearly all the case studies reported that the business climate for jua kali is poor. One entrepreneur remarked:

‘For the past one year and five months, the performance of jua kali businesses has been poor. Days pass without customers coming to my business. If this trend continues, many of us are going to close down. The new government promised us changes but we have not seen the impact of these changes on our businesses’.
The emerging business climate for the *jua kali* economy in Kenya is largely due to the failure of the government to initiate measures and strategies that would support *jua kali* businesses. The failure of the government to address the issue of market liberalisation that contributed to the increase in imports of second hand clothes and cheap new garments and clothing in the country from the Far East was frequently echoed by most of the respondents in the garment and shoe making businesses. It is therefore not surprising that all the female garment makers and male shoemakers in the case studies reported that changes in governance structures initiated by the new government affected their business negatively.

The situation of shoe makers in Kariokoo was made worse by the fact that they are required to pay Value Added Tax (VAT). The tax was introduced without consultation with the shoemakers, as they were not invited to discuss the agreeable levels of taxation. According to one respondent:

‘Kenya Revenue Authority officials walked into my stall and demanded money for VAT. I was unprepared for it and did not know how VAT value is arrived at or charged. By paying VAT, it will mean that the
prices of my goods and those of others in the market will be raised, subsequently making our shoes more expensive than imported new shoes or second hand ones. I think the government should have prepared us for this form of taxation. In addition, there is no transparency on the use of VAT money. I do not see myself benefiting from taxation. Roads, electricity, and water services are still very poor in this area. I also do not have access to the raw materials and soles for making shoes. I buy from retailers who pay duty for these products which also contributes to the high cost of the shoes that I make.

There was a general feeling among the case studies that the business climate for the jua kali economy was not just poor-to-many it was very poor. Sales for garment and metal products drastically declined in 2003 even in the festive month of December when sales used to be good. A respondent observed:

‘In 2002, I used to sell thirty wheelbarrows in a month but at present, I only sell three wheelbarrows. Customers who come to my enterprise are always crying that they do not have money’.
A female garment maker expressed the same sentiments regarding the decline in sales of her garments in 2003.

'Unlike before, few customers come to my business to buy clothes. Those who come and make purchases, only buy small quantities of garments. For example, one of my customers who used to buy 10 pieces of garment for resale now buys five pieces only. Something has to be done to improve our jua kali businesses'.

In an attempt to explain the causes of the poor business climate, one of the respondents had the following to say:

'The business climate is poor because people have no extra money to spend on new clothing. Retrenchments in the public and private sector and high unemployment rates have contributed to the lack of money among our customers. It seems like people do not want to buy clothes any more'

There is need for the government to tame market liberalisation that contributes to poor business in the jua kali economy and enforce legal requirements for imported garments, which are
offering unfair competition to local garment makers. For example, the poor business climate has also affected cash flow in businesses as the following garment maker testifies:

‘In the past, I used to have adequate working capital for running my business. At present, I am not able to do so. I have been forced to borrow money from micro finance institutions or somewhere else to meet my working capital needs. I fear that I might not be able to maintain my business in the long run with loans unless there are changes in the economy’.

The stringent controls on the flow of money in the economy, reduced government expenditure and controlled procurement policies to curb corruption have affected the flow of money in the jua kali economy.

‘In the past, customers had extra money to spend (perhaps from corruption or from extra income generating activities that they used to have). At present, most customers are relying on salaries alone which is not enough for their daily needs. The cost of fuel, transport and food has risen considerably
in 2003 and 2004. Customers who bring their vehicles here are always crying saying that they do not have money. Some have parked their cars or use cars when it is very necessary to do so’

The political uncertainty arising from political conflicts in the NARC government was also said to be a problem that is derailing the government from real issues affecting businesses.

‘Majority of the people are not willing to spend their money just like that. Nobody really knows what is going to happen. It is high time the government sent positive signals of peace so that customers can have confidence to make decisions on consumption as well as attract more investors who will create jobs. Political issues have made it difficult for us in business. The political issue involving divisions and wrangles are making it difficult for investments’.

To some entrepreneurs, there was a general feeling that the government has not yet outlined governance strategies for promoting the jua kali economy. Positive changes in the jua kali economy will only occur if governance strategies recognise the unique needs of jua kali entrepreneurs and addresses the
questions of land, space and working conditions. An entrepreneur lamented that:

'Look at the space I am doing business in. Which foreign buyer can come to my stall with all the mess surrounding it? I had hoped that the government would seriously look at the jua kali economy and make working conditions easier for us. It appears that we shall continue to suffer as we were doing before. We have no choice but to keep on struggling. We need money for food, clothing and shelter'.

Loss of income among peasant primary commodity farmers has also adversely affected the jua kali business climate. One respondent commented:

'Competition in the jua kali economy has intensified in the recent past. This is making it difficult for me and other carpenters to sell their products. I do not know what is happening. The high unemployment rates and retrenchment of workers could be the reason why many have infiltrated the jua kali carpentry'.
The wood and furniture *jua kali* sector is also being affected by the ban of logging in the country. A respondent observed that:

'Timber merchants are selling timber at exorbitant prices, which is affecting our production costs of furniture businesses. The future for furniture business is bleak unless other sources of cheap wood are found'

The government has yet to come up with an economic and political strategy to address the issues of the *jua kali* economy in terms of access to factors of production. It reflects its non-accountability to a large proportion of Kenyans who for the last forty-one years have been subordinate to the mainstream political economy strategies. The question is: if individuals founded enterprises in the *jua kali* economy because they could not fit in the mainstream economic and political strategies, where will they go to if the *jua kali* economy is loosing jobs and declining? What will happen to the broad concerns of inequalities between men and women and the rich and poor, which the *jua kali* economy was mopping out?
6.0 Governance Trends, Gender Inequalities and Life Chances in the Jua Kali Economy.

The *jua kali* economy is a life chance opportunity for women and men in Nairobi. It provides them with employment and income which are important ingredients for improving quality of life and social mobility. In the previous section, we have observed that governance strategies of the new government are perceived negatively by *jua kali* entrepreneurs. They do not create a favourable conditions for the *jua kali* economy business climate. This situation leads to our next question. What are the implications of these changes to gender inequalities and life chances?

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To map out the relationship between gender inequalities and life chances, five indicators are used to illustrate the position of women vis-a-vis that of men in the *jua kali* economy. The five indicators are presented in Table 1.
Table 1 Social economic indicators for analysing the situation of women and men in the *jua kali* economy

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self employment</td>
<td>Number of years in self employment</td>
</tr>
<tr>
<td>Monthly earnings</td>
<td>Monthly earning in Kenya shillings</td>
</tr>
<tr>
<td>Ownership of stall/shed</td>
<td>Yes or No (string)</td>
</tr>
<tr>
<td>Ownership of land</td>
<td>Yes or No (string)</td>
</tr>
<tr>
<td>Network membership</td>
<td>Yes or No (string)</td>
</tr>
</tbody>
</table>

To map out the relationship between gender inequalities and life chances, five indicators are used to illustrate the position of women vis-à-vis that of men in the *jua kali* economy. The five indicators are presented in Table 1.

Employment is one of the tools and strategies for mopping inequality and improving life chances for both women and men. In the formal economy, full employment involves working eight hours a day, five days in a week for twenty-five years and a retirement age of fifty-five years. A number of questions come up. Does the *jua kali* economy provide life long full employment for its operators’ life cycle? Does the number of years individuals spend in self employment differ between men and women? Twenty-nine years is the longest employment duration that
entrepreneurs in the case studies spent in self-employment. The median duration was ten years while the mean was 12 years.

The mean duration of self-employment in the *jua kali* economy differs between men and women. Men entrepreneurs reported a mean duration of 14 years while that of women was eight years. This implies that men and women have different life employment cycles with men having longer cycles of self-employment.

Needless to say, earnings improve life chances for both women and men. With incomes, men and women can purchase life chance opportunities like health and education that will improve the quality of life for themselves and those of their family. The mean earnings for the case studies was KSh14,046 while the median was Ksh7,500. Marked gender differences were revealed between men and women’s monthly earnings. Mean earning for female entrepreneurs was Ksh10,666 per month while that of men was Ksh15,354 a month. The mean earnings are a good indicator of the inequalities between men and women in the *jua kali* economy and have a bearing on their life chances.
Stall ownership was used as indicator of security of tenure and control of means of production. Out of the 47 case studies, only 36.2% owned the stall or shed they were using as premises for their business. A higher proportion of male entrepreneurs (88.2%) owned the stall they were doing business in than women (11.8%).

Land ownership contributes to improved life chances. One can grow food crops or keep animals that will supplement their income while in urban areas one can build her or his shelter or build rental houses. A high proportion of the entrepreneurs (76.6%) in the case studies reported owning land, which they purchased with savings from their businesses. However, only 27.8% of the women entrepreneurs owned land compared to 72.2% of male entrepreneurs. An equal proportion of women and men owned land in urban centres but the proportion of men owning land in rural areas (76.0%) was higher than that of women (24.0%). Two thirds (66.7%) of the men owned land in both urban and rural areas while the proportion of women was 33.3%. This finding on land ownership is an indicator of inequality between men and women in the jua kali economy. Network membership was fairly strong among the case studies. No less than 70.2% of the informants belonged to social or economic support networks.
Male membership in networks (69.7%) was higher than that of women entrepreneurs (30.3%).

All these indicators show remarkable inequalities between men and women in the *jua kali* economy. The inequalities are influenced by cultural and socialisation processes that define male and gender roles. The roles are enhanced and entrenched by male deals characterising the political and bureaucratic policy decision makers who tend to direct policies to male oriented activities in the *jua kali* economy.

Male voices in the *jua kali* economy are louder than those of women. They have access to information through their networks and are able to know where plots or sheds are being sold within the city. They are also more likely to influence the local government when shed and stall allocations are being made.

The inequalities reflect the lack of governance strategies and institutions that fail to address the political question of resource control in the city of Nairobi. Allocation of resources and planning in the city generally lacks a culture of gender. The gender inequalities in the *jua kali* economy are worrisome because the conditions are deteriorating and there is need for urgent attention.
This is especially timely because the inequalities have a bearing on individuals' life chances and those of their offspring. Addressing gender inequalities is one of the ways of eliminating poverty and improving the quality of life for a large proportion of the population that depends on the *jua kali* economy.

**Conclusion**

The *jua kali* economy comprises entrepreneurial activities of women and men who create jobs for themselves and maintain them. They marshal and accumulate human strength and combine it with factors of production to create jobs for themselves and others. The process includes taking risks, psychological confidence, social contacts, self-motivation and discipline, power struggles, knowledge production and learning. The challenge therefore is to come up with innovative governance strategies for the *jua kali* economy. It is necessary to create a legal and regulatory framework, deliver public goods and provide an ideology that will spur *jua kali* economic action to greater heights. The governance strategy should address the interests of both men and women in the *jua kali* economy.
The study noted that gender inequalities are outcomes of deep-rooted historical phenomenon, which can be said to have predated the current state of an emerging new form of governance. The present government inherited governance structures that affected conditions of the *jua kali* economy from past regimes. The reality is that the government needs to address these inequalities and life chance opportunities. The right to a job and income are public goods that the state should commit itself to.

There is evidence that in the past two years, the conditions in the *jua kali* economy have not changed and need to be addressed using a political economy strategy. Welfare approaches based on credit and skill development need to be enhanced with issues of control of factors of production and markets. Trading in safer neighbourhoods served with good infrastructure could improve the quality of women-owned business.

Gender inequality is a power relationship question at both the household and national level. It is not due to the feminisation of poverty as many would want to make us believe but a product of many generations of exploitation and appropriation of women labour to serve the interests of an economy that is dominated by male deals at the household level and the state level.
Recommendations

The redevelopment and renewal of the jua kali economy triangle between Jogoo and Race Course roads would improve it considerably and would lead to improved life chances. Gender should be part and parcel of the planning strategy for redevelopment and renewal of jua kali spaces.

A jua kali market enhancement procurement programme should be initiated. The government needs to commit itself to buying jua kali products since it is a major consumer of manufactured products. Hospital, prison, police and military uniforms and office furniture can be sourced from jua kali economy. The city council could also buy workers’ uniforms and wheelbarrows for use in the cleaning of the city from the jua kali economy. This will broaden the market base for operators. Companies that have connections with jua kali should also be given priority in government procurement jobs.

To address gender inequalities and life concerns of women in the jua kali economy we need structural reforms and hard options of addressing education, health and legislation where necessary. Education that gives women an identity and self-confidence of what they want to be should be provided. There is need for an
education that provides women with skills for problem solving, expression of their fears and strengths and one that provides them with tools for negotiating for democratic governance.

The challenge for new governance is to eradicate gender inequalities and improve life chances opportunities. Issues to be addressed should include gender representation, resource distribution, and women rights in the distribution of public goods. Unless women are in control of the means of production, their struggle for political ascendancy will remain weak.

Gender inequality in the *jua kali* economy is not a management or planning question. It is a governance concern, which no one wants to address. Soft options involving training programmes and credit schemes are palliative measures for addressing inequalities. However, hard options that will address the distribution and ownership of means of production at the household and national levels are needed. Specifically, this means addressing the governance question in the evolution of gender inequalities in the *jua kali* economy. During this new governance era, the challenge is to create institutions that will interact with gender based institutions at the local level which women and men use in negotiating and bargaining their positions in the *jua kali* economy.
This will mean mobilising and organising women using their own institutions to call and lobby for change. It will also mean localising and strengthening the women’s movement, which at present has not yet reached women in the *jua kali* economy. We should move ahead making women and gender a process of the new governance that is slowly emerging in Kenya.

The challenge therefore is to initiate governance structures that would make *jua kali* manufacturing enterprises more competitive by supplying electricity to the sites, improved sanitation and hygiene, facilitate in the purchasing of high quality machines and raw materials as well as improved access to *jua kali* sites in the city.
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