SOCIAL NETWORKS: ETHNICITY AND THE INFORMAL SECTOR IN NAIROBI

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ABSTRACT

This paper is part of a larger study entitled "The Role of Social Networks And The State In The Urban Informal Sector: The Case of Nairobi, Kenya." The social dynamics of the informal sector, popularly referred to as "Jua Kali" are considered an important component of this sector. We argue that they should be understood and tapped where possible for the future development of the informal sector.

Three aspects of social networks in Nairobi's informal sector are identified. These are: Kinship, friendship and ethnicity. In this paper, we discuss ethnicity as it is manifested in the informal sector. We also discuss how it has helped new migrants not only to find shelter in Nairobi but also to find an economic occupation which most of them may not have got in the formal sector.

Four subsectors mainly: the metal artisans, the drum sellers, the food sellers and the garment makers all in the Eastlands of Nairobi and the Industrial Area were studied in 1987. We also had a sample of 200 operators of the informal sector representing each of the four subsectors. In the paper a background of ethnicity in Kenya is discussed at a macro-level before presenting our findings on ethnicity at a micro-level specifically among the subsectors we studied. There is evidence on ethnic specialization/various subsectors. Certain skills for example in the metal arts and the food sellers.

Using both participant observation and survey methods in the field, the data places ethnicity prominently in the discussion of Nairobi's informal sector.
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Introduction:

In this paper ethnicity is discussed as a major basis of the social networks which characterize Nairobi's informal sector. I argue that ethnicity is significant in understanding how the informal sector operates in Nairobi. I also hypothesize that ethnicity has been instrumental in establishing occupation of specific subsectors in the informal sector, thus complicating and in some cases determining entry. Diagnosing ethnic identification in this sector is not only important for understanding how it operates but also for policy formulation, particularly at a period when the government and international donor agencies are targeting the informal economy as the cornerstone for the future economic development of Kenya and other Third World countries. (Republic of Kenya, Sessional Paper No.1, 1984).

I will divide this paper into four major sections: the introduction, the background of ethnicity in Kenya and Nairobi, theoretical perspectives based on previous studies and our research findings on ethnicity and ethnic identification in the informal sector. This is based on a larger study entitled: "The Role of Social Networks and The State in the Urban Informal Sector: The Case of Nairobi, Kenya". Participant observation and a survey of 200 informal sector operators in selected parts of Nairobi form the basis of the data. I studied four subsectors mainly the metal artisans (Kamukunji Jua Kali Artisans) the drum sellers near Shauri Moyo, food sellers in both kiosks and along the streets of Nairobi's Industrial Area; garment makers in selected markets e.g. Burma, Kongoo and also those working from their homes in a number of residential estates in the Eastlands.
Ethnicity

There are at least 35 different ethnic groups in Kenya. Most of them are represented in Nairobi. This is as a result of the rural-urban migration process which has been on-going especially after independence when anti-urban migration laws for the Africans were lifted. During the colonial period, ethnic identification was exploited by the administrators in order to facilitate their divide-and-rule policy. Thus an antagonistic atmosphere was created between different ethnic groups, or tribes as they were referred to by the colonialists. Just before independence, for example, small tribes like the Kalenjin, Mijikenda, Masai and others, with the support of the minority European settlers, advocated regional autonomy ('mijimbo') instead of a united nation. They feared lack of representation in a national government which was predicted to be led by the two major ethnic groups in Kenya -- the Kikuyu and the Luo. The two political parties just before independence were based on ethnic lines of affiliation. KANU (Kenya African Democratic Union) was the party of the smaller ethnic groups and minority European settlers while Kenya African National Union (KANU) was the party of the bigger ethnic groups, mainly a Kikuyu-Luo coalition. Ethnic identity and antagonism at the national level dates back to the colonial period. After independence in 1963, the KANU party folded up and in 1964 all the former KANU political leaders crossed over to KANU, advocating national unity and abandoning their earlier call for regional autonomy. It would appear at face value that the ethnic problem at national level was over but political events in the few years that followed proved otherwise.

As O'Connor (1983:110) correctly observes in his study of the African city, ethnic identity is not something consciously and keenly felt by most people living in the rural communities where all members are of the same ethnic group and there are few direct contacts with people of other groups. But moving into a city and into close contact with people of other groups, speaking other languages and so on, one becomes much more explicitly conscious of ethnic identity. This was what was happening in Nairobi especially in the late 1960s and in the 1970s. Referring to this time period, O'Connor gives the example of Nairobi and Harare (formerly Salisbury) as two cities in tropical Africa which were so ethnically divided that they perhaps did not form "societies" at all (O'Connor 1983: 99).
Studies of ethnicity at a macro level, its effects on state formation, in Africa have been done (Rothchild and Oluonsola ed., 1982; Rothchild, 1985, 1986). Authors in the edited volume by Rothchild show the kind of problem ethnicity has posed for national unity in various parts of Africa, such as the Sudan, Ethiopia, South Africa and how it is a continuous political problem in a number of other countries. In this study, I am concerned more with ethnicity at a micro level, specifically, urban ethnicity and how it is manifested in the lowest level of economic production. I also discuss the potential problems (social and political) of such kinds of ethnic manifestations.

Ethnicity is always a sensitive subject, and scholars, as well as politicians and census-takers are sometimes reluctant to give explicit attention to it. But a discussion of cities in tropical Africa cannot avoid it. For good or ill, ethnic identity matters greatly to most people (O’connor 1983:99). It is the sensitivity of this subject that has probably detered most indigenous Africans from writing about it, leaving the subject to western social scientists, such as Mitchell (1969), Gluckman (1961) Southall (1973) Shack (1973) and Rothchild (1969, 1982, 1985). We agree with O’connor that a discussion of cities in tropical Africa cannot avoid the subject of ethnicity. This is regardless of whether the study is by an alien or an indigeneous scholar. Since more than often ethnicity as a social phenomenon is defined in terms of strife (Cohen 1969 4) a local scholar may be concerned with biases in the analysis of ethnic behaviour of those being studied. At times, oversimplification of the impact of ethnic identity is given to avoid the sensitivity of the subject. We will limit our analysis and interpretation to the observations and findings during the research period.

Prior to rural-urban migration in search of employment, further education, and better income opportunities, most of Kenya’s ethnic groups lived in their respective rural regions such as the Luo’s in Nyanza, the Masai in the Rift Valley, and the Kikuyu’s in Central Province. The rural areas inhabited by specific ethnic groups were characterized by homogeneity in cultural traditions, and more important in language. Tribal rituals like circumcision and harvest dances strengthened the bond of belonging to one ethnic group which usually claimed the same ancestry.
Rural-urban migration in the 1950s with increasing number in the following decades brought together different ethnic groups who shared very little in common. They had different cultural traditions and different languages. The new phenomenon of Africans in the urban areas first attracted anthropologists from the Manchester school, notably Gluckman (1961) and Mitchell (1957, 1969). They were intrigued with the adaptation of urban life in the cities of Central Africa, especially Zambia's Copperbelt. They were influenced in their analysis by Wirth's classical essay, "urbanism as a way of life" (Wirth 1938). Not surprisingly, Gluckman argued that the urban life was leading to "detribalization" in African cities and therefore the African city was a melting pot for the African tribal traditions. This thesis was later on proven wrong. Instead, other scholars, such as Epstein (1969), argued, with support from field observations in Zambia's Copperbelt, that when people of diverse origins have only recently come together and most retain close ties with their home areas, "tribal" feeling tends to be more intense than within the more homogeneous rural societies. Shack (1973), in a study conducted among the Gurage in Addis Ababa, argued that African towns are not melting pots for the rural Africans with diverse tribal backgrounds. Even after living in an urban environment for periods of up to a generation or more, Africans in town retain their tribal identity and membership in the rural society.

As O'Connor argues, this "tribal identification" of Africans in towns is one respect in which tropical Africa differs markedly from most of Asia and Latin America. Even in the latter places, "tribes" are recognized, but only a very small portion of the urban population is regarded as "tribal". Tropical Africa is exceptional in that in each city, virtually all who are not members of racial minorities, i.e. Whites and Asians can say without hesitation to which "tribe" they belong. This is true of Nairobi where virtually everyone except for the Asians and Europeans will quickly identify themselves as Luo, Kikuyu, Luhyas or Kamba. This becomes a problem especially where there is scarcity of resources to be distributed, for example, jobs in the formal sector or food kiosks in the informal sector.
Studies of rural-urban migration in Africa and other third world countries have identified its selective characteristic. The process "selects" young adults mostly between ages 20-30, the educated who are in search of white collar jobs in the towns, and usually men more than women. There is one category that has not been emphasized in previous studies which is identifiable with early migration of Africans to Nairobi. This is the selectivity based on ethnicity or different "tribes". Among the first ethnic groups to migrate to Nairobi were the Kikuyus, mainly because of their close proximity to the city. It is easier for a jobless Kikuyu in the rural areas to make the decision to travel an average of 60 miles to Nairobi. It would be a difficult decision for a jobless Luhya or Luo who would need to travel an average of 130 miles to get there. In 1969 for example, the Kikuyu comprised 38 percent of Nairobi's total population, followed by the Luhya with 19 percent, the Luo and the Kamba with 12 percent each of the total population. In 1979, the Kikuyu population had declined to 33 percent of total population in Nairobi compared with 21 percent of the Kenya total. They were however, still the largest ethnic group in Nairobi and Parkin (1975: 152) suggests that most inhabitants now regard it as an essentially Kikuyu city. However, the other major tribes increased their numbers in 1979 with the Luo attaining 18 percent, Luhya 16 percent and the Kamba 12 percent of the total population in Nairobi.

The Luo clearly did not migrate to Nairobi because of their close proximity. Instead, most of them were initially hired as clerks in the government corporations like the Railways and the Post Office, which had headquarters in Nairobi. The colonial administration policy of divide-and-rule encouraged employment of the Luo in such corporations and discouraged employment of the Kikuyu who were suspected of sympathising with the Mau Mau movement. The Luhya migrants, who like the Luos are distant from Nairobi, were first hired as house servants for the European community in Nairobi, a job few Kikuyus would have been given because of the mistrust towards them by the colonial establishment. Kambas, like the Kikuyus, come from near Nairobi. This partly explains their early migration there. They also have certain skills not shared by many of the other ethnic groups, mainly wood and stone carving. Since their settlement in Nairobi, they have advanced these skills and are known to make beautiful artifacts and carvings which they sell to the tourists and affluent Kenyans. The Kikuyu
early migrants were involved in various kinds of trade in Nairobi and between Nairobi and their adjacent rural homes.

The extent to which ethnic ties have helped initial settlement of new migrants from their rural homes is a subject that has had wide coverage in Africa and in Latin America. Studies of urbanization in Africa dating back to the 1960s (e.g. Etienne, 1969; Gluckman, 1961; Southall (1973) Gugler and Gilbert (1982) have supported the argument that rural ties are significant in settling new urban migrants. In other areas, Latin America, for example, studies by Lomnitz (1977) and Roberts (1979) have also shown that rural ties are useful in settling new urban migrants. My study confirms this finding. It goes further to also establish how such rural ties have become a backbone for establishing an economic activity in the urban informal sector.

Theoretical Perspective: an overview

Sociologically, urban ethnicity suggests that separation from tribal life and entry into urban life, far from weakening the bonds between tribal members, on the contrary strengthens them (Shack, 1973). It is the strength of such bonds and how they have been articulated by Nairobi migrants to acquire economic opportunities in the 1980s that is sociologically intriguing. Earlier anthropologists who studies Central and East African towns -- Mitchell, Gluckman and Southall -- all insisted that ethnicity in towns is primarily a means of classifying the multitude of Africans of heterogeneous origins who live together in towns. Ethnic classification is the basis on urban life. Shack (1973) found that urban ethnicity in Addis Ababa manifests itself in ways unlike what had been observed in other parts of African towns.

Besides the classification of heterogeneous African groups (which we do not consider significant at present), urban ethnicity has become in the 1980s a useful political and economic asset in Africa. Ethnic ties are certainly of profound importance in most cities as a source
of social security in providing for the few elderly who remain there, for the sick and for the many unemployed underemployed (O'Connor 1983). In the absence of a social welfare system in Kenya as in most third world countries, comparable to the western countries, ethnic ties play almost an equivalent role to the social welfare system.

Kinship and friendship ties cannot be underestimated, as we shall argue in the next paper. Ethnicity provides the context of more intimate ties. The new migrant, for example, may depend on kinsmen for shelter but may turn to an ever-wider crown of co-ethnics in seeking for a job. Those who do not have many kinsmen in the city must rely on others of their own tribe or ethnic crown as a substitute. O'Connor (1983) observes, as we did in this study, that "social distance" is such that friendship patterns are strongly influenced by ethnic affiliation. Even in most ethnically diverse cities in tropical Africa, nine people out of ten specify a co-ethnic as their best friend! (O'Connor 1983). In a study in Indonesia, Brunner (1973) found the same thing about the Batak -- "that every individual interaction in the city of Medan occurs within a larger framework of ethnic crown relations". Brunner focused on a theme that our study in Nairobi also raises, that is: "positive identification is not just a matter of convenience or politeness in Medan, but it is rather an economic and political necessity (Brunner 1973:182). The extent this was found in Nairobi is discussed later in this paper. Brunner (1973), more specifically on this point noted that, "No Tapanuli Batak enters the city as such'. He enters along a network, through a system, occupies a particular social structure slot, and there is invariably someone else most frequently a relative, to help interpret the urban experience in terms he can understand. No man has to recapitulate the experience of his crown and learn about the city on his own.

The argument I am making is that ethnic identification in Nairobi fulfills the commonly accepted role of settling migrants; furthermore, that ethnic identification in Nairobi is well entrenched in the urban informal sector. Such statements by ILO (1972) that the informal sector is characterized by ease of entry should be recast with the theme of social networks and their role in this sector. In this paper, we are concerned with the role of ethnicity in the informal sector. No one
enters the informal sector as such. He or she has to move a long a
network. Ethnicity here is seen as a contribution to settling the new
migrants and finding an economic activity for them. We argue that in
understanding the social dynamics of the informal sector in Nairobi
(specifically ethnicity in this paper) we may unearth part of the secret
of its success in job creation when compared with the formal sector.

I found that certain ethnic groups predominate in some informal
subsectors. Ethnic categories may be imprecise, and in part even
fictional, and they may be played down by governments, but they are
very real to most people. Nairobi's inhabitants, for instance, almost
invariably perceive their neighbours not only as old or young, as rich
or poor, but also as African, Asian or European, as Kikuyu, Kamba, Luo,
Kalenjin or Luhyia, and this greatly influences their attitudes towards
each other. The relevance becomes clearer when some subsectors are
targeted for government support (loans, permanent work spaces) while
others, possibly dominated by a different ethnic group, are not supported
and continue to be harassed by government officials. Such a situation
may be of concern mainly in capital cities since most of the provincial
cities are pretty much run by local ethnic groups which tend to be more
homogeneous. Capital cities in most third world countries are usually
the financial centers besides being seats of governments. Usually what
happens there, for example in Nairobi, is likely to have an impact in the
rest of the country. As mentioned earlier, such tensions are likely to
occur when there is scarcity of resources to be distributed.
RESEARCH FINDINGS:

Looking at the general distribution of our sample, I found that there were three ethnic groups that were significantly represented in the subsectors of the informal sector I studied. These were the Kikuyu, the Luo and the Luhya. These are also among the largest ethnic groups in the country and in Nairobi, (Kenya Census, 1979). Other smaller ethnic groups like the Kamba, Kalenjin, the Masaai and others were scantily represented. The general distribution of my sample was as follows: Kikuyu 48%, Luo 36%, Luhya 7% and others 12%. This finding by itself is not surprising as it confirms the national trend and distribution of Nairobi's population by ethnic groups.

Various subsectors were operated by specific ethnic groups. They also perpetuated the entry of the same ethnic group members to any open space for running a business or allocation of new food kiosks. This was mainly through passing to each other timely information, mainly co-ethnics. This finding applied mainly to the drum sellers and the food sellers. I also found that customers, especially in the food selling business, patronized certain sellers based on their ethnic identity. This in some cases boosted the seller's business. The opposite was true in the case of two Luo women who lost their customers to a Luhya woman. Trust is a very important concept of the world view of the informal sector operators. They rely on trust to decide on whether to give credit to their customers. There was strong evidence from our fieldwork showing that sellers trusted members of their ethnic groups more than customers from other groups and credit was usually advanced to co-ethnics.

Seventy-seven percent of the food sellers were Kikuyu, mainly women who sold food from kiosks. No Luo or Luhya had a food kiosk in Nairobi's industrial area. On the other hand, 70 percent of the women who sold food in the streets adjacent to major factories were Luo. 25 percent of this category were Luhya and only 5 percent were Kikuyu. The significance of this distinction is understood better when we realize that the kiosks are more advantageous in many ways than the open street locations. The kiosk is a semi-permanent structure usually allocated by the city council. They
usually have clean running water and therefore meet basic sanitation requirements compared with the street food selling locations. They do pay a licence fee to the city council. This has not, however, saved them from indiscriminate demolition ordered by the city council on various occasions. Most Kiosk owners live in perpetual fear that one day they will lose all their belongings in a demolition. This is not unfounded fear if we compare with results from elsewhere. Irene Tinker (1987) in her monograph on street foods gives the example of the devastating effects demolition had on food sellers in Ile-Ife, Nigeria. Their study found that before demolition, 75 percent of the enterprises that moved had employed assistants; after the move, only 25 percent did. They also found that over 90 percent of the street food sellers were making less than half the income they made before they were forcibly moved.

The Kiosk owners do not pay taxes for their business and in this way they operate similarly to the food sellers outside the street. The food kiosk operators tend to make more money mainly because they operate longer hours (12 hours) compared to outside food sellers who are at their selling locations during the lunch hours only. The kiosks in theory could appeal to more customers since they were open longer and various people, not only those working in the factories, could patronize them at any time. In practice, a few women food sellers operating outside did better business than some kiosk owners. This was however, the exception and not the rule. The food kiosk has kitchen facilities. The food sellers operating from outside locations had no choice but to cook food in their homes, commute or walk to their selling locations before noon and vacate their locations after the lunch hour. They also had to rely on more specific customers than the food kiosk owners.

Whichever way we look at it, it was more advantageous and also prestigious to own a kiosk than a location outside a factory gate. This observation was confirmed by the respondents. It was intriguing therefore to find there was such a distinct distribution on ethnicity on these two subcategories. This became more of a research issue when the food sellers operating outside reported that they would prefer a kiosk to "their outside locations" if there were any available. They were also aware and conscious of the fact that the kiosks were owned predominantly by the Kikuyu group.
One key respondent whom we asked to explain why there was a disproportionate distribution of these two major ethnic groups in the two categories of food selling places had this to say:

"I think the Kikuyu dominate ownership of the food kiosks for the following reasons: The Kikuyu had experience a lot of poverty during the colonial administration period and especially during the Mau Mau movement up to the time of independence. Many of them were jobless and landless and were therefore ready to undertake any business or job opportunities that arose. After independence when colonial rules were relaxed, many were ready to put up kiosks, look for licences and they therefore overtook most of the other ethnic groups. Most of the other ethnic groups at that time (in the 1960s and 1970s) appeared satisfied with their families. Those who were in need and in search of small scale business opportunities were allocated kiosks and they 'happened to have been Kikuyus'.

This respondent's explanation as to why there has been a mushrooming of food sellers operating outside the major factory gates is that they (mostly Luhya and Luo and other minority ethnic group) have started experiencing the economic pressure and hardships that the Kikuyus experienced almost two decades earlier. Having no alternative, they have ended up cooking food and selling it outside the factories. They do not have much choice, mainly because the Kiosks are already occupied by the Kikuyu and very rarely are new ones being allocated.

This respondent, whom we will call Mary, did not think (as I did) that the City Commission's relaxation of the by-laws characterized by infrequent harassment of outside food sellers contributed to the rapid increase of this category. "It may be a coincidence". While Mary's explanation was echoed by most respondents who owned kiosks and by a minority of those selling food outside, at least 60 percent of the food sellers reported that the relaxation of the city by-laws had encouraged them to start the outside food selling. Mary's argument based on the economic
history of the Kikuyu was indirectly supported by those selling food outside. This was because 90 percent of them reported hard economic situations, such as their spouse's salary not being enough for school fees, clothes and food for the family. The hardship has been more of a reality to most Kenyans and particularly Nairobi residents in the early 1980s.

We argue that both explanations, that is, the economic history of the Kikuyu, and the relaxed by-laws by the City Commission are plausible. We also add that history favoured the Kikuyus in the 1960s and 1970s. The patron-client relationship so characteristic of the African governments (Young 1982) may have been at work during these allocations. Since most of the outside food sellers came after the kiosk owners were already established, it was difficult to prove this point from the respondents since none reported to have been allocated a kiosk on the basis of ethnicity. What is clear is that at the time of my study the Kikuyu dominated the food kiosks and the Luo dominated food selling outside.

A policy implication is that, if more favourable policies directed towards the food kiosk owners by the city or the central government were to arise at the expense of the outside food selling locations, an interpretation based on ethnic identity would be inevitable. The Luos would argue rightly that the Kikuyu were being favoured and would not simply sit and say the government is supporting the informal sector.

My hypothesis that ethnicity may determine entry was overwhelmingly supported by the data in the case of the food sellers (both in kiosks and outside). All the food kiosks reported that they had been informed about allocation of kiosks by a co-ethnic.

Timely information is a very crucial element in the informal sector because it is on the basis of such information that a potential operator would go to City Hall to seek for an application. This is what took place in the case of the food kiosks. From a sociological perspective, "the ease of entry" as suggested by earlier studies based on an economic perspective (e.g. ILO, 1972; House, 1984) is not easy at all.
To get the food kiosk licence was more important than to have the capital to start it. If one did not come from the group that had the information and passed it amongst themselves, then chances of getting the kiosk were very remote. Thus, even in what finally appears as “formal” allocation of kiosks, a high degree of “informality” had earlier taken place.

Outside food selling appears on the face value informal and haphazard. A casual observer may also think that anyone can bring cooked food, lay it outside any given factory and be instantly in business! On the contrary, entering business of selling food is very complicated. In our case study, we found that ethnic identity was very important at a general level to determine who gets space outside which industries and along which streets. Spaces were therefore ethnically allocated in an “informal” way from an outsider’s view but which had become pretty much “formalized” among the women food sellers. Over 90 percent of them reported that a friend told them about the space appropriate for food selling. We found that in 90 percent of the cases, this friend was a co-ethnic.

In our study of this particular subsector, the only Kikuyu woman we identified selling food outside one of the industries reported that she was told about the space by her friend who was a Luo and a member of her Christian church -- both were born again Christians. This was the only case among the women respondents. In the other cases co-ethnics told each other about available spaces, supported each other in first settlement, thereby, “colonizing” most of the outside food selling spaces. Despite the fact that outside food selling was less prestigious and usually had lower returns than kiosks, for 80 percent of the women in our sample this was their only way to contribute to the family budget.

Ethnic identity is informally a necessary prerequisite to entry in the available spaces. This may explain why the Luo women continue to dominate the outside food selling of the major streets in Nairobi’s industrial area, especially along Addis Ababa Road, Kampala Road and Likoni Road.

Ethnic distinctions among the other subsectors was substantial but not as vast as among the food sellers. The metal artisans were ethnically distributed as follows: Kikuyu, 47 percent; Luo, 28 percent; Luya, 3 percent; others (Mainly Kamba), 22 percent. Like the food sellers, ethnic identity was very strong among the metal artisans.
Metal artisanry is one of the subsectors in the informal sector that requires technical skills in order to make such items as farm tools, cooking pots, metal boxes, frying pans, woks, water buckets, lanterns and, many others. Previous studies of the artisans (King, 1977; Ngethe, 1984) show that training to acquire the relevant skills is mainly done informally through apprenticeship and not in a formal institution. The apprentices get their sponsors through social networks — friends and kin, but all from co-ethnics. Thus ethnic identification among the metal artisans is not only important for the acquisition of space to operate from, but also for the acquiring the skills necessary to start operating. Some skills were safeguarded by those who knew them and were only passed along in a selective manner. In this case, the criteria of selection was ethnicity.

A simple observation of the metal artisans shows ethnic distribution by activity as follows: The Kikuyus mainly make metal boxes, cooking stoves especially the improved "energy saving stoves" (jiko), making and maintaining aluminium cooking pots; the Luo were overrepresented in making frying pans, wash basins, and woks; and the Kambas were mainly in making metal boxes.

To elaborate this point and especially to show how safeguarded some skills are, I present the case study of lantern making. The tin lamp, which uses kerosene and a regular wick, appears as if it is so simple that anybody can make one. It is not that simple and it requires intensive training. There are some raw materials, for example, a special kind of wax that must be used. Those who know where it is bought are unwilling to share this information with others who are not their friends, relatives, or co-ethnics. The tin lamp is an important source of light for thousands of city homes without electricity. It is the main source of light for most low income earners and the poor in Nairobi who live in the major slums of Mathare and Kibera. Most rural homes also rely on this for their lighting.

The chief tin lamp makers (1st half operators) we studied is Mr. John Ngumba, a Kikuyu who comes from Gaichanjiru in Murang'a district. Of the ten tin lamp makers in the "house" they occupy, eight are from the same village, Gaichanjiru, and two
are from Emku, a district that borders Central Province of Kenya where Murang’a is located. We were interested in finding out why there was such a “coincidence”. Nrumba explained that there was an old man in Gaichanjiru who had the skills of making tin lamps. He taught the people in Nyumba’s village starting with him. “When I learnt the skills, I continued to teach other people in my home area, mainly friends and relatives — for example, my younger brother, who is right here in this ‘house’ with me but who is now on his own”.

The significance of social networks in the transfer of skills surpasses the possession of money. Nrumba emphasized teaching skills to friends and relatives, who were all co-ethnics, and not who came up with money. He would rather forfeit money and teach the skills only to those from his village. The strength of social networks in the transfer of skills is evidenced in this case.

The Luos, on the other hand, predominantly make the frying pans, wash basins and woks. Although a few Kikuyus and other ethnic groups also made some, it was clear from our observations that the Luos were far superior in making these items and theirs sold faster. They had a better finish and customers preferred them to those made by the other ethnic groups. The apprenticeship for learning how to make those items was also based on ethnicity.

Ethnic biases were evident in allocation of spaces particularly in the roof-shed that was sanctioned to be built by President Moi when he visited the metal artisans in April 1986. The metal artisans who operate under this roof-shed have a loose organization called Kamukunji Metal Workers and Blacksmiths Organization. The chairman of this organization, who is a Kikuyu had the final say, on who got a space which is referred to as “house” in the roof-shed complex. Each “house” measures ten by twenty feet and accommodates eight to ten people. Artisans are expected to work there, store their tools and to sell their finished products in front of the “house”. There were some Kikuyus in these houses, followed in number by Luos. Some Luo artisans (10 percent) reported biases in the allocation in favour of the Kikuyus by a Kikuyu chairman. Regardless of the reporting of this matter which was considered
sensitive especially because the chairman was influential - my observations confirm that there were more Kikuyus than any other ethnic groups in the "houses". "Other" affairs of the organization had ethnic biases overtone, for example, the selection of artisans who may have qualified to apply for loans from the Kenya Commercial Bank. This selection may have led to an attempt to have ethnic balance at the organization's leadership level. At the time of our study, the chairman was a Kikuyu and the secretary was a Luo, the two important officers of the organization. It was evident however, that, the chairman controlled the affairs of the organization. He was more educated and knowledgeable than the secretary which may have the balance of control in his favour. Besides, he had the support of the Kikuyu artisans who were the majority in the roof-shed.

The metal artisans are seen as future indigenous manufacturers who may save the country some foreign currency as they continue using locally available materials for their products. They also produce goods that are competitive in the market with those produced by big corporations. Their labour intensity and ability to recruit new employees have made them a darling of government spokesmen who support the informal sector. This may also explain why the President visited them more than once in 1986-87. Within this context of state support ethnic composition may be a potential problem for policy implementation. A policy of supporting the metal artisans may need to consider ethnic composition of those it is supporting. A potential problem based on the ethnic imbalance could be avoided.

The impact of ethnicity is evident among the metal artisans. It has essentially facilitated entry through transfer of skills and allocation of spaces from where they operate. The practice of ethnicity determining entry in the informal sector was more evident among those artisans operating outside the roof-shed. My findings showed that customers were more likely to purchase from fellow co-ethnics. They usually thought that a co-ethnic may sell the same item cheaper than an artisan from a different ethnic group. Some artisans actually did that on days when business was very low. This was however, not always truer as the artisans informed us. They try to set uniform prices. They preferred the competition to be based on the quality and the finish of the products.
rather than hiking and lowering of prices. The latter according to the respondents would be interpreted as betrayal of the solidarity the artisans wanted to portray to the outsiders.

Another subsector which also showed a strong ethnic identity is the drum sellers. These are the most enterprising among all those in the subsectors we studied. They have more capital, because to be a good drum seller one needs to have a substantive starting capital, preferably not less than Kshs.2,000 (about $115). Since the drum sellers have many customers, such as the metal artisans in Nairobi and many others who come from all over the country, a good supply of materials is required. The drum sellers reported more income than any of the operators in the other subsectors we studied.

The ethnic distribution of the drum sellers is comparable to that of the food sellers discussed earlier. The distribution was as follows: Kikuyu, 80 percent; Luhya 13 percent; Luo, none; Others 7 percent. Note the significant absence of Luos in the drum selling subsector and the predominance of the Kikuyu. The Kikuyu have literally "colonized" the drum selling spaces in Shauri Moyo and along Jomoo Road which are the main areas that this subsector is located in Nairobi. This has been maintained mainly through transfer of information of an open available space to co-ethnics. One Kikuyu woman respondent explained how she used to sell drums on wholesale until one of her co-ethnics who was an employee of one of her customers told her of an available space that she could occupy. With the collaboration of the neighbours who sold their drums adjacent to the available space, she occupied it and started selling drums. The neighbours were also her co-ethnics. One of the few Luhya drum sellers explained to us that his mother had learnt of the space through a Kikuyu man who was her friend and who had been one of the pioneers in the drum selling business. Like in the case of food sellers, passing relevant information about available space to operate business is more important than possession of capital. The drum sellers confirmed this to be the case particularly because they had capital to start off a business but did not do so until co-ethnics showed them the way to enter into the available spaces. A study done in Nairobi on passenger taxis (popularly called matatus) by Masinipira Institute (1987) showed how difficult it was for a new "matatu" owner to get a parking space at the terminus to load and off-load passengers. Collaborating with those who already had the "right" of
occupying the parking spaces was the only way to acquire one. This finding again disputes the "case of entry" characterization of the informal sector as long as it ignores the social dynamics involved in ensuring entry.

The drum sellers portrayed another dimension facilitating entry besides ethnicity. This was regionalism. Not only were most of them Kikuyus, but they were predominantly from specific regions, mainly Nyeri (Othaya Division) and Murang’a (Kangema Division). These were the two regions that were overly represented among the drum sellers. The two regions are also neighbours and have had a long history of social interaction through marriage. Thus a pattern of social ties that facilitated entry in the drum selling subsector may be perceived following direction of arrows as shown in figure 1.

Figure 1: Entry into the drum selling subsector:

(Kikuyu)  
ETHNICITY

REGIONALISM  
Nyeri and Murang’a

FRIENDSHIP

KINSHIP  

DRUM SELLERS

Figure 1 shows that the social dynamics at various levels were at play to facilitate entry in the drum selling subsector. Such dynamics we argue should not be taken for granted as they may actually have adverse implication on policy towards such a subsector. For example, when we were in the field, the drum sellers reported the possibility that the government might relocate them to a more permanent place, more spacious than their present location. They also hoped it would be a location where they would be able to store and lock up their materials, where they might be able to put up simple office space and install
telephone and electricity. These facilities were not available in their present location. Such a possibility was being discussed with the local chief who was reportedly looking for an alternative favourable location. While we consider such support a positive contribution towards the informal economy by some state agents, the extent that this will be supporting a specific ethnic group in Nairobi, we think that such cases of support be guided not only by economic concerns but social ones as well. The latter have the potential of leading to ethnic tensions which could in turn lead to political unrest and possibly poor economic performance of these drum sellers. In other words, we are suggesting a long term policy consideration of all factors at play and not a short term one concerned with immediate economic gains.

The last subsector under consideration is the garment makers. Garment making was mainly done in the city markets. There were also those who made garments in their homes. The ethnic distribution among the garment makers was as follows: Luo, 63 percent; Kikuyu, 26 percent; Luhya, 6 percent; others, 5 percent. In my sample, the Luo were over-represented. This may be due to the sampling in various city markets, some of which we found to be particularly Luo. "Burma" market is a good example. We were interested in finding out why this market was predominantly Luo. As I had done in the case of food kiosks, I interviewed a key respondent, a Luo man who had been in "Burma" market long enough to be able to explain why it was largely Luo.

Our key respondent was in his mid-fifties and a resident of Nairobi for twenty five years. He gave us four reasons for the predominance of the Luos in Burma market, mainly in garment making and also other trades. His first reason was that before and immediately after independence (1963) the Luos who were in Nairobi started settling in Shaarini Nabo and Kaloleni and this market was located in this neighbourhood which they had already occupied. Through the process of transfer of information that we have discussed above and their proximity to the market, most stalls were allocated to them. The second reason he gave was that most of the Luo had employment with the East African Railways and so they were allocated staff houses in Mokongeni which is adjacent to this market. This again helped them in
getting first hand information about the establishment of the new market
and so they applied and got the stalls. Thirdly, he reasoned further,
as "Burma" market came up in a neighbourhood that was predominantly
occupied by the Luos, most of the customers were also Luos. This
brought problems of low sales for the other few ethnic groups which had
not stalls since the Luo customers patronized Luo businesses. The
members of the other ethnic groups who had businesses here decided to
abandon their stalls and look for classes elsewhere due to lack of customers.
Fourthly, he concluded, the Luo who originally got the stalls when going
out of business or retiring started to pass the stalls to their relatives.
Ownership of stalls through "inheritance" has promoted Luo predominance
in this market. Ninety percent of the garment makers in this market were
Luo.

As in other subsectors discussed earlier, ethnic identity facilitated entry in garment making. It was also important in the
transfer of skills through apprenticeship although the chances of a
garment maker going to a formal institution to acquire the skills was
much higher compared with any of the other subsectors that we studied.
I found that ethnic identity among the garment makers was not as important
as in the other subsector in the transfer of necessary skills. This may
be explained by the fact that there are many inexpensive formal
institutions that teach tailoring and in general the art of making clothes.
It was also evident that those who learned the skills through
apprenticeship depended on ethnic identity to get a sponsor.
ANALYSIS AND CONCLUSIONS

The discussion on the role of ethnicity in Nairobi's informal sector could be summarized in the following five points:

1. Ethnicity has influenced allocation of premises on which to do business. This was evidenced by the food kiosks in Nairobi's industrial area.

2. Ethnic identity influenced and to some extent determined the transfer of skills and technology. This made it difficult for others from different ethnic groups to enter certain trades or subsectors. The example of the Kikuyu from Gaichanjiru in Murang'a dominating the skills of tin lamp making clarifies this point.

3. Ethnicity was found to be significant in establishing market and customers, hence ensuring survival and growth of a given economic activity. Two examples from our findings can clarify this point further. The first one is the case of the Luhya woman who established her food selling outside the glass factory on Addis Ababa Road whose employees were predominantly Luhya. Despite violent objection of the Luo women who were already established adjacent to this factory, the Luhya workers patronized their co-ethnic and her food selling became popular and overshadowed that of the Luo women. The second example can be extracted from the case of the Luo's continued dominance of the garment making in and other trades in the stalls of "Burma" market. The Luo who surrounded the market's neighbourhood were loyal customers to Luo traders; hence the other traders from other ethnic groups had to leave as their sales dropped drastically. We also noted in this example the continuous dominance by the Luo of the stalls in this market through "inheritance" which is based on ethnic identity.
4. Ethnicity actually determines entry in the informal sector as was evidenced by the various examples among the four subsectors. This practice may be closer to what Goran Hyden (1982) describes as the economy of affection. As we noted in the discussion above, the transfer of information is very important especially when space to be be allocated formally or informally is scarce. The examples of the Luo in Burmari market, the Kikuyu in drum selling and in food kiosks and the Luo when selling food outside all clarify further the significance of ethnicity in necessitating entry into the informal sector.

5. We found the concept of trust to be very important among all the informal sector operators. We also found that ethnicity and trust-building were closely linked. Ethnic identity especially in food selling determined whether one would be served food on credit to pay at the end of the month or in two weeks depending on when one was paid. We observed that it was more common for a Luo to serve food on credit to a Luo, a Luhya to a Luhya and a Kikuyu to a Kikuyu. The few instances that this was not the case ended up in problems. This was evidenced in the case where a Luhya woman served on credit to a man from a different ethnic group a Kisii. The Kisii man did not honour the payment when he had promised. He gave the Luhya woman various excuses and avoided to come to work during pay day. According to the food seller, he did this deliberately to avoid her. He could come to work on other days when he suspected he would not face the food seller. The Luhya woman lamented and regretted why she had given credit to this man. Her main concern was that he was from a different ethnic group and she swore not to repeat the same mistake ever again.

One ethnic group which was underrepresented among the food sellers did not seem to follow the above pattern, that is, ethnicity giving the basis for trust and therefore consideration to give credit. This ethnic group was the Kamba. According to one of the Kamba food sellers (who was also our key respondent), she would rather give credit to people from other ethnic groups than to her co-ethnics. Her explanation
was that the Kamba are jealous of each others’ success and may never pay back a credit with the aim of running down the business of their co-ethnic. She also added that, in fact, they do not patronize her food, especially when they had money. They only came to her when they were without money and were looking for food service on credit. She usually declined. Our observations confirmed her story as we found that very few Kambas patronized her food. This case of one ethnic group is unique as the opposite is true of other ethnic groups. They build more trust with their co-ethnics who also patronized their businesses and were therefore likely to be given small credits on services they could not afford to pay promptly.

We have gone beyond showing the significance of ethnicity in settling new migrants in the African cities like Nairobi as was noted by earlier researchers. We have shown using our case studies, the significance of ethnicity in establishing and developing economic activities even those that may be regarded as simple and easy to enter like the outside food selling.

In rejecting the “ease of entry” characterization of the informal sector, we have advanced the need to evaluate the social composition of those in the informal sector. We have also shown how relevant our understanding of the social dynamics like those based on ethnic identity is a must for the informal sector operators themselves and also those charged with policy formulation and implementation.

Finally, we underline the significance of ethnicity in both social and economic spheres even in the modern urban centers in Africa like Nairobi. Ethnicity did not melt away with urbanization and modernisation as had earlier been predicted. Indeed, it has re-emerged as urban ethnicity which as we have argued is more evident where scarcity of resources is prevalent. This happens to be the case in Nairobi as well as in most other cities in Africa and the rest of the third world.
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