

**STREET TRADE IN KENYA
THE CONTRIBUTION OF RESEARCH IN POLICY DIALOGUE
AND RESPONSE**

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1. INTRODUCTION

This paper shares an experience of street traders engagement in policy dialogue that arose out of a collaborative research process that began in 1999¹. The research involved gathering information and processing it for use in local and national policy dialogues between street traders and urban authorities. The paper begins by providing an overview of Micro and Small Enterprises [MSEs] in Kenya, followed by a brief on the research process before discussing policy responses on MSEs development using the case of street traders.

2. OVERVIEW OF MICRO AND SMALL ENTERPRISES

Street traders are a sub sector of the MSEs that dominate the Kenyan economy. On average Kenyan MSE employs 1.8 employees. Majority of MSEs are micro enterprises with fewer than 10 employees, while 70 per cent of them are one person, own account workers. This infers that majority of MSE entrepreneurs are operating at the bottom of the economy, with a significant percentage falling among the 53 per cent of Kenyans

¹ The research was conducted by the Institute for Development Studies [IDS], University of Nairobi, with the support from the Canadian International Development Research Centre [IDRC], the British Department for International Development [DFID] with input from Women in Informal Employment Globalising and Organising [WIEGO]. The research was conducted by a team of two principal researchers [Professor Patrick Alila and Dr. Winnie Mitullah], and a project assistant, Anne Kamau.

living below the poverty line of US\$ 1 per day. The latter are largely for subsistence and engage in economically uncompetitive activities both in the urban and rural areas.

The 1999 Baseline Survey [CBS, ACEG & K-REP] indicated that there were 1.3 million MSEs which contribute 18 per cent of Kenya's Gross Domestic Product [GDP]. The survey stated that about 64 per cent of the MSEs are in trade, under which street vendors fall. This sub sector is engaged in buying and selling of goods. Income from the trade sub-sector is ranked lowest among the MSE sector, but they are vital to the livelihoods of many urban and rural poor. Micro trade activities are sometimes referred to as 'survivalist' enterprises - they allow entrepreneurs to survive with hardly any savings.

Most of these enterprises operate within the informal economy, a sector previously referred to as informal sector, or in the Kenya context, *Jua Kali*. The Kenya Labour Force Survey Report of 1998/99 indicates that the sector covers all semi organized and unregulated activities that are small scale in terms of employment. The report notes that the activities are largely undertaken by self-employed persons or employees with few workers in the open markets, in market stalls, in both developed and undeveloped premises, in residential houses or on street pavements [ROK, Labour Force Survey, 2003].

In Kenya, the concepts informal economy, MSEs and Jua Kali are often used interchangeably. The sector is a major source of employment and income and about 48

per cent of MSE operators are women. By the end of the year 2001, informal employment was estimated at 4.6 million accounting for 72 per cent of total wage employment and 81 per cent of private sector employment. The contribution of MSEs is more than double that of medium and large manufacturing sector that stands at 7 per cent of the GDP [ROK 2003a]. Overall, the MSEs employ 2.4 million people and create 75 per cent of all new jobs. Estimates based on the 1999 Baseline Survey of MSEs show that in the year 2002 alone, the MSE sector employed about 5,086,400 people up from 4,624,400 in 2001. This was an increase of 462,000 persons and consisted of 74.2 per cent of total national employment [CBS, ACEG, K-REP, 1999].

2.1 Policies For MSEs

The MSE operations cut across almost all sectors of the economy, and sustain a high percentage of households in Kenya. In the 2003, National Budget Speech, the Minister for Finance noted that the MSE activities form a breeding ground for businesses and employees, and provide one of the most prolific sources of employment. Their operations are more labour intensive than the larger manufacturers. At the same time, they are the suppliers of low cost products and services in the domestic market.

Dating back to the 1972 ILO study on incomes and employment, the Kenya Government has recognized the role of the informal economy in several policy documents [ROK, 1986; ROK, 1992; ROK, 2002; ROK 2003a; ROK 2003b]. The current Development Plan points out that various rules and regulations that affect the operation and growth of

the sector have been reviewed. Other policy responses have included: elimination of trade licensing at central government level; harmonizing, rationalization and implementation of Single Business Permit [SBP]; and ongoing review of labour laws; relaxing business regulations; broadening access to finance; proposed enactment of MSE Act; and measures aimed at ensuring control and regulation of hawking within the Central Business District [ROK, Development Plan 2002].

The Economic Strategy for Wealth and Employment Creation [2003a] points out that the Government is convinced that employment creation is the most effective strategy for halting the increasing poverty. The Government, through the strategy will address factors responsible for the poor performance of productive sectors, which include: high cost of engaging in productive activities, high cost of capital particularly for MSEs and lack of supportive services and weak institutions. The goal to be achieved by removing various regulatory impediments that increase the cost of doing business, promoting MSEs by finalizing and implementing a Sessional Paper on the sector, focusing on employment creation and formalisation of informal sector activities.

In spite of the sub-sector being a major source of livelihood for a large majority, especially those living below the poverty line, the government has not managed to implement major policy provisions geared for the development of the sub-sector. During the last three decades, there has been an emphasis on the private formal sector as opposed to the private informal sector. The NARC government intends to change this trend as highlighted in the Economic Strategy Paper. The paper states that the formal and informal

sectors are basically the same, and the only difference between the latter remain small, are denied much needed services as well as infrastructure and do not pay taxes. The economic Strategy Paper will eliminate this dichotomy by providing infrastructure and services, particularly financial, to small and medium enterprises and by ensuring that they pay taxes.

In the past, the emphasis on the formal private sector has exposed the private informal sector to the vagaries of bad governance, dominated by inefficient and rent seeking bureaucrats and policy makers. Such officers have been more concerned with rent seeking than ensuring the formulation of adequate policies and efficient implementation of policy provisions. The policy concern therefore has been how to provide equal opportunities to both the informal and formal sectors of the economy. The NARC government's policy objective is to promote the growth and competitiveness of employment in MSEs by reducing the cost of doing business and generally creating an enabling environment² for economic activity.

Creating an enabling environment requires the joint effort of all stakeholders. Under the concept of an enabling environment wide range of approaches are taken, by governments, civil society, MSE representative organizations, and international donor agencies. An enabling environment includes the social and cultural context, the political systems, including the influence of governance, and the economic systems and policies. Each of

² Business environment relates to those features found outside the enterprise itself. This includes an array of influence ranging from economic, social and cultural systems, to policies, laws and other kinds of rules, to public and private institutions and the effect of other enterprises. MSEs can face greater disadvantages or biases in the business environment than do larger enterprises.

these variables affect the markets in which the private sector operates. In turn, they influence the growth and competitiveness of businesses. They should be addressed if MSEs are to thrive.

The Government plays a crucial role in MSE development, as displayed by activities performed by different arms of government. The key organs of government such as Parliament and related policy making institutions such as Local Authorities [LAs] have to grasp the role of government in MSE development, and be more aware of the impact of new policies and laws on the operations of small enterprises. In this process, the government has to set the institutional framework for business, the rules of the game, and to ensure that enterprises receive appropriate incentives to facilitate efficient performance. Such interventions have potential for mainstreaming the informal economy alongside larger formal enterprises.

The dichotomous policy perception of formal and informal has contributed to ineffective policies on the informal economy. It was not until the beginning of 2003, that government debate on the need to integrate the two sectors began. The debate and examination of the sector revealed that the development of both the informal and formal sector and their integration as one vibrant economy has been constrained by regulatory requirements. Most of these requirements date back to the colonial period and have no relevance in independent Kenya. While this has been an obvious fact, the Government did not address the issue until the dawn of Structural Adjustment Programmes, and related reform programmes.

In the area of street trade, the Local Government Reform Programme [LGRP] has been particularly relevant. The reforms in Kenya began in 1999 with a key policy and programme priority of focusing on reduction of poverty and unemployment coupled with spurring the economy into higher rates of growth. The reforms had three components: improving local service delivery; enhancing economic governance; and alleviating poverty. These objectives were to be achieved through increasing efficiency, accountability, transparency and citizen ownership.

The KLGRP, is specifically structured as a policy instrument designed to achieve the above goals. Its immediate policy focus has been the removal of unnecessary regulatory barriers and the reduction of costs of doing business. In particular, the government initiated two nation-wide reform efforts, namely: the Single Business Permit [SBP] and The Local Authority Transfer Fund [LATF]. The SBP in relation to small businesses is a response to business licensing problems faced by SME s. Business licensing was aimed at protecting consumers from exploitation, health and safety hazards and control of business activities.

Business licensing imposes costs on businesses that are often out of proportion to the benefits delivered. Further, in practice, the regulatory provisions are abused and have become merely income earning opportunities for those charged with enforcing the regulations [Devas and Kelly 2001]. While the move to have a SBP is appreciated, it has largely benefited the small and medium firms and not micro firms where the street traders

fall. The micro firms have had ad hoc policy responses from both the central and local Government levels. These responses have included relocation of street traders and affirming government commitment to the sector, as discussed in the section dealing with policy dialogue.

3. RESEARCH PROCESS

The overall objective of the research was to generate information and document the level of organisation of women street vendors, policies and regulations affecting their operations and how they respond to such policies, interact among themselves and with policy makers, planners, administrators and other stakeholders.

3.1 Methodology

A total of six research issues³ were investigated using survey method, Focus Group Discussions [FGDs], Key Informant interviews and local and national policy dialogue workshops. The research covered four urban areas [Nairobi, Kisumu, Migori and Machakos]. Nairobi, which is the capital city and the largest town covered in the study had 99 respondents, Kisumu, 84 respondents, Machakos 60, and Migori 58. In total, 301 respondents were interviewed in the four towns. Key informant interviews covering those who deal with street vendors in the areas of policy, planning, enforcement, health requirement, credit, training and general management were also conducted. Information

³ The six research issues included: policies and regulations; site of operation and planning regulations; licensing/daily fees; enforcement of policies and regulations; communication between street traders and other stakeholders; and organizational capacity of street vendors.

gathering was followed up with local workshops aimed at disseminating the preliminary research findings to the stakeholder groups, discussing findings, proposing and making recommendations on the way forward for street vending in each of the four urban councils.

The research process ended up with a National Workshop aimed at bringing together the four urban councils, government departments, street vendor's associations and other agencies who support street vendors, to discuss pertinent issues regarding the findings. This workshop provided a forum for street traders to interact and lobby urban authorities, and other agencies that support small scale economic activities.

During the first phase of the project, contacts were set in the sampled urban centres. This was followed by identification of existing street vendors associations. There was, however, no reliable documented information on street vendors associations per se, mainly because most groups were registered as women or self-help groups. In order to overcome this bottleneck, civil society organisations that support street vendors and relevant government offices were consulted. This was followed by basic fact finding involving walking and talking to both existing street vendors associations and street vendors themselves. Through this approach, a number of Revolving and Savings Credit Associations [ROSCAs] were identified. In addition, a 1998 Baseline Survey [Graham et al 1998] on street vendors was used to back up information gathered from this process.

The preliminary phase of the project showed that existing street vendors associations were few with many being ROSCAs. Only a total of five street vendors associations [three in Kisumu, and one each in Nairobi and Migori] which focus on street vending issues and advocacy were found in the four towns. In total, 28 associations were covered in Nairobi, twenty three in Kisumu, sixteen in Machakos, and fifteen in Migori.

Information gathering and further identification of additional street vendors associations was done during the data collection phase. Interviews were conducted with representatives [leaders and/or spokesperson] of street vendors associations/ROSCAs in the four towns. Using a questionnaire, information on the nature and form of existing associations, membership, purpose and objectives, form of governance, and the links with LAs and other organisations was obtained.

Focus Group Discussions [FGDs] with representatives of street vendors associations/ROSCAs were held in each of the four towns. This was aimed at providing additional information to that gathered through questionnaire and also with the one getting views on policies and regulations governing street vendors operations, and how associations react to the regulatory environment. Once the questionnaires had been administered key informant interviewed and FGDs conducted and analysed, local dialogues bringing together stakeholder were held in each of the four urban centres.

Local dialogues was followed by a national dialogue bringing together the four urban councils, government and United Nations agencies, street vendors associations and other

agencies who support street vendors. This was aimed at discussing the pertinent issues regarding findings overall on the sector at the national level. The national workshop also provided a forum for the urban councils to interact with each other, and with those who support SMEs. Further, it offered a good opportunity to forge partnerships, notably for possible funding of programmes for street vending within respective urban councils.

3.2 Summary of Findings

On the issue of policies and regulations, the research found out that most urban authorities in Kenya were operating on colonial by-laws that had yet to be reviewed. The policies were deficient and the urban authorities had not only failed to enforce them, but in reality given their form and coverage, they were not possible to enforce. The research further revealed that, while the basic idea is that licensing which originally intended to enable entrepreneurs to conduct their businesses productively and profitably, had become a stumbling block.

In spite of the number of people who can be licensed being limited, once the license is given, it is shrouded with many other outdated restrictive requirements relating to public health, building requirements, and other regulations outlined in the Local Government Act. This had resulted in most traders evading licenses, and therefore flouting most regulations laid down by authorities. At the same time, prohibited commodities such as cooked food originating from unknown sources were being sold to the public.

The study concluded that there was need for Local Authorities to put in place relevant policy frameworks and reviews of the existing by-laws if they have to conform with government policy of enhancing the performance of MSEs. During the research, only one of the sample urban councils had reviewed by-laws relating to street trade. The other three councils, continued to put emphasis on enforcement without clarity on policies and regulations. The councils had not hit a balance between order, and promoting the activities and performance of informal sector operators such as street traders. Three of the councils were merely handling street traders as a temporary problem, bound to disappear, although experience had shown the contrary.

The study revealed that the inability to address the issues was intensified by lack of effective organization among street traders, especially in the area of representation and advocacy on issues affecting them. At the conclusion of the research, a summary of action areas was made with an aim of reaching bureaucrats and policy makers at the LA and Central Government level. A number of action areas were used in sensitizing street traders, urban authorities and other stakeholders as discussed in the section below.

4. POLICY RESPONSES ON MSE DEVELOPMENT

Kenya has made a number of policy responses targeting MSEs since the research on street vending began in 1999. Apart from the research, the policy responses owe their origin to the SAPs, especially the LGRP, pressure from civil society organisations, and

the stakeholders participatory approach adopted by the research and in policy development.

In spite of the government having recognised the potential of MSEs way back in 1972, there were very few programmes targeting MSEs before the SAPs. The first major step taken by the government was the establishment of the Department of Micro and Small Enterprise Development within the Ministry of Labour and Human Resource Development. The Department is charged with the coordination of all issues, programmes and projects relating to the development of MSEs.

The Deregulation Project that was part of the Department of MSE Development, and a collaborator in the IDS research, examined laws and regulations that impede on the growth and development of MSEs. Their work revealed that 'the licensing laws and by-laws which are set up to control, prohibit or regulate various business activities were the single, greatest deterrent to entry into, and growth of businesses in the private sector, including street vending in Kenya'. This was highlighted by two studies, one examined the non compliance cost of doing business [Kobonyo et al. 1999], while the other examined the situation of street vending [Alila and Mitullah 2000].

The two key research outputs and work by the Deregulation Project resulted in the government addressing the regulatory problems facing MSEs. A number of regulations and licensing requirements that retard businesses were recommended for removal. Of particular mention is the implementation of the Single Business Permit [SBP] by Local

Authorities that began in 1999, with mandatory implementation by all LAs effected in January 2000.

The efforts to support MSE development have been intensified by the NARC government since it came into power through winning the 2002 National Elections. A number of Ministries support the MSEs, the Ministry of Labour and Human Resource Development is the lead Ministry. The Ministry has finalised a Draft Sessional Paper on the Development of Micro and Small Enterprises for Employment Creation and Poverty Reduction. The Draft Sessional Paper highlights a number of issues relating to legal and regulatory frameworks, markets and marketing, credit and finance, physical infrastructure, entrepreneurship, business development services, gender, environment, information, management and institutional frameworks for MSE sector coordination.

The Ministry of Labour and Human Resource Development constituted a Task Force in May 2003 to look into issues affecting MSE performance and growth. The Task Force had a number of tasks including review of policies, MSE programmes, concerns of MSEs, strengths and weaknesses of MSE umbrella associations, governance and institutional capacity of MSE for job creation and economic growth. A key output of the Task Force has been the observation that associations are important for ensuring the efficient operations of MSEs.

The themes of the Draft Sessional Paper and the Task Force Paper are in line with the NARC Government's national policy on economic development, highlighted in the paper

on Economic Strategy for Wealth and Employment Creation and the current Development Plan [2002 - 2008]. The Economic Development Paper emphasises the need to integrate the formal and informal sectors of the economy. For three decades, these sectors were viewed as separate, and with different potential. The increasing poverty and concentration of the population on the informal economy has justified the policy focus on MSE development.

4.1 Street Trade

Most national programmes geared for MSEs have focused on the small scale manufacturing enterprises, as opposed to micro trade enterprises where the street traders fall. Until the beginning of 2003, when relocation of street traders began; the latter were exposed to harassment, insecurity and lack of infrastructure and services. Over the years, this has been justified by the fact that the street traders are not licensed, and are therefore operating illegally. Business licensing has been used by LAs as a control with negative effect on MSE performance and growth.

While a number of policy responses on MSEs began during the year 2000, those directly affecting street traders began in 2002. The 2002 - 2008 Kenya Development Plan indicates that measures aimed at ensuring control and regulation of hawking within the Central Business District [CBD] would be taken. Most major urban LAs have begun implementing this policy with a number of problems, the major problem being the

reluctance of policy makers and administrators to allow street traders to trade within the inner circle of CBD, and the lack of adequate space for all street vendors within the CBD.

For instance in the case of the CBD of the capital city of Nairobi, where over fifty thousand street traders operate, the city has only managed to set aside sites that can accommodate about 7,000 traders. This move is positive, although the tenure remains unclear, with the urban authorities viewing the sites as temporary while the vendors view them as permanent. Although the urban authority had a plan to charge some fees, this has not been possible due to a mix up in allocation. There were cases of double allocations, infiltration by those not allocated sites and hostility directed at the City Council Authorities. This has resulted in a stand off situation that can only be solved through dialogue and negotiation.

Most of these sites lack infrastructure and services and are congested. The congestion is due in part to infiltration by vendors not allocated sites, and also by vendors allocated unfavourable sites where there is insecurity and fewer customers. These are aspects that should have been taken into consideration before relocation. Past experience of ad hoc street traders relocation indicate that without critical consideration of access to customers and security, relocation efforts have been resisted and fruitless.

In the relocation process, associations have not been effectively used, partly due to their fragmentation and weakness. The city authorities opted to use representatives of street traders drawn from different areas of the CBD. The role of these representatives was

largely to listen to the packages being offered by the authorities, as opposed to negotiation and dialogue. Their 'listening' role and failure to negotiate for appropriate relocation sites and an efficient allocation process made most street traders feel betrayed.

The relocation policy would have been more successful, if the street traders had a unifying body advocating and negotiating on their behalf. Ensuring a dynamic MSE sector requires functioning associations that support entrepreneurs, lobby and dialogue with authorities for enabling MSE policies and programmes. Associations are useful for purchasing raw materials, marketing, bulk transport, sharing tools and equipment, guaranteeing loans, providing market information and linking up with training and business service providers.

The IDS research identified a number of issues for dialogue and negotiation between the street traders and other stakeholders, especially urban authorities. In relation to sites of operation, the research noted that availability of an acceptable site of operation is a pre-condition for compliance with various statutes relating to business operation.

Respective urban authorities are charged with the responsibility of setting aside vending sites. However, most urban authorities as demonstrated in the case of Nairobi, are reluctant to allocate vending sites within the CBD, and allocate sites outside the CBD which vendors often decline to move to. The research concluded that there was need to allocate safe and accessible sites for vending activities and identified points for policy dialogue and negotiation as follows:

- Urban authorities in collaboration with stakeholder groups need to come up with appropriate long term vending sites, which are recognized and planned.
- In cases where long-term vending sites cannot be designated, temporary sites with specified hours and days of operation must be designated.
- the conflict between vendors operating around established formal markets, and those operating within the markets need to be resolved through collaboration of stakeholder groups and efficient planning, which allows co-existence.
- Urban authorities in collaboration with vendors and other stakeholder groups are to provide basic services [toilets, water, and storage facilities] in areas designated for vending.
- Urban authorities in collaboration with stakeholder groups are to design an appropriate mobile vending rack and/or structure for vending operations
- Urban authorities and other stakeholder groups are to enable street vendors to take responsibility and ensure that their operations do not contravene the agreed policies and regulations.

- Once allocated sites [preferably communal], the vendors must ensure that they do not trade in prohibited or restricted areas, do not turn the sites into accommodation, and that they respect and observe the rights of other users of space, and all other citizens affected by their activities

- Urban authorities are to consider establishing pilot vending sites within the CBD, to allow review of street vendors organisational capacity and further integration of their activities within the CBD.

The above points were raised and discussed with LAs at the local and national level. However, few of these issues have been given critical policy consideration. In particular, meaningful engagement of stakeholder groups has only been initiated with pressure from fragmented street traders associations. In order to have effective policy dialogue and negotiation there is need for joint action both at the local and national level by the various street traders associations, urban authorities and other stakeholders.

4.1.1 Associations and Policy Development

The IDS research revealed that the existing street traders associations were weak and required capacity building to enable effective participation in policy development and implementation. The Draft Sessional Policy Paper on MSE development indicates that the government will provide an enabling policy environment, including investment in human resource development and basic welfare.

The need to build capacity of associations of street traders resulted in the development of a second research proposal by IDS in collaboration with StreetNet, a global organisation supporting street traders. The proposal was on 'Facilitation of Street Traders Organisation in Kenya'. The research covers seven urban authorities in Kenya and has eight objectives:

- Expose and sensitise street vendors on the benefits of forming local and national alliances of street vendors;
- Facilitating regular policy dialogue between street vendors and Local Authorities;
- Facilitating holding regular follow up meetings with street vendors associations;
- Providing a link between street vendors and other authorities;
- Packaging relevant information on street vendors and their activities;
- Collecting and documenting relevant information on street vendors;
- Supporting street vendors local travel and communication;
- Extending coverage to areas not covered by the IDS study.

The facilitation has enabled the fragmented street traders associations to begin coming together in policy advocacy and negotiation. Kisumu City Council provides a good example of organising for policy dialogue. When the IDS conducted research on policies, regulations and organisation of street traders in 1999, Kisumu had fragmented street vendors associations that had no knowledge of each other, and were not making any joint effort in addressing issues affecting their enterprises. The relations between the Kisumu

City Council and the street traders was poor and a 1958 by-law was the operating point of reference for enforcing regulations.

The research brought the different street traders associations together in Focus Group Discussions [FGDs] and in policy dialogue forum with the city authorities. These two activities became 'eye openers' for both the street traders and the urban authority. The two parties realised that a number of problems, including strained relationships can be solved through dialogue. This could not be successfully achieved by fragmented street vendors associations. The associations had therefore to identify issues that cut-across the board and create an institution that could pursue the issues with policy makers.

The process of establishing a joint street vendors and informal traders association began in 2001. It culminated in 2002 with the establishment and registration of Kisumu Alliance of Street and Informal Traders [KASVIT]. The alliance has a number of objectives, including: bringing together different associations of street vendors, mediating between Local Authority and street vendors, improving socio-economic status of members, encourage and enlighten women to assume leadership positions in organisations popularising street vending locally and internationally and advocating for the rights of vendors among others.

In the area of policy dialogue, the alliance has identified issues of engagement. However, the City authority continues to deal with the street traders in an inconsistent manner, which diverts dialogue and negotiation process. A recent case is reflected in how the

planned relocation of street traders in Kisumu has been handled. While the alliance has been ready to negotiate, the urban authority to some extent is still pursuing autocratic approaches of management. A case in point was a notice from the City Council of Kisumu dated 21st September giving notice for the relocation of street traders on Ojino Okew street. KASVIT responded to the council in a letter dated 23rd October [box 1]

BOX 1: Letter From KASVIT to The Town Clerk, Kisumu Municipality

`We are aggrieved and sad after receiving the notice from your office because we agreed that we should be holding dialogue to discuss such matters. We also see ill motive since the notice was issued last month [21st September 2003] and we only received it on 22nd October [a month later], yet it was supposed to be a fourteen days notice.

We got the notice at the time we were preparing to attend the national workshop of street vendors [26th to 28th October] in Nairobi. The notice is also against the Ministerial statement that stopped such actions which we welcomed.

The said hawkers have been hawking at the site for the last ten years and paying levies to the council and they are often harassed without a solution. They are also members of Kenya Women Finance Trust and are paying loans. We therefore request to have an audience with you on Friday 31st October 2003, when we come back from the workshop in your office at 2 pm to discuss the issue.

We are hoping for positive response

Source: KASVIT File, 2003

This letter by KASVIT would not have been written before the exposure through the research process. The street vendors have become aware that policy positions should not be accepted without participation and dialogue

5. LESSONS ON POLICY DIALOGUE AND DEVELOPMENT

Positive policy responses depend on efficient engagement of stakeholders in dialogue and policy development, and efficient storage of information and institutional memory. In order for this to happen, stakeholders have to have the capacity to engage in policy development, access and store information. On the part of the government, an inclusive approach that integrates the stakeholders in the policy process has to be adopted. In Kenya, like in many other developing countries, there has been a tendency for policy makers to respond to external pressures, as opposed to local internal dynamics.

While it is appropriate to argue that the external pressures are triggered by the prevailing internal conditions, the exclusion of key stakeholders in determining policy directions cannot be justified. The lack of involvement of stakeholders partly owes its origin to the dictatorial regimes that prevailed in Africa prior to the adoption of participatory approaches that accompanied SAPs.

The reform programmes lay emphasis on participatory policy development, planning and implementation of programmes. This approach has largely benefited organised stakeholders who understand the dynamics of policy development. At the beginning of the IDS research, the street traders could not conceptualise the possibility of contributing to the policy processes. In one of the policy dialogue forums, a woman street vendor had to quietly ask one of the researchers whether it was appropriate for her to contribute to the debate on trade licensing and enforcement of by-laws in the presence of chief officers

of the Municipal Council. She further wanted to know from the researchers whether a negative comment on the council would result in future victimisation. The researchers shared her fear which was representative of other street traders with the chief officers during the forum. The officers assured the representatives of street vendors and other stakeholders that there would be no victimisation, and that the forum was aimed at soliciting ideas for improving MSE operations and general governance within the council.

Another lesson is the relevance of adequate information relating to policy processes and appropriate storage of information and institutional memory. The IDS research findings showed the LAs have poor information systems and loss of institutional memory due to rapid transfers of chief officer. During our research and facilitation of street traders organisations, it was revealed that information relevant for follow up and management of policy processes is hardly available. In some cases, the information could only be accessed by locating the individual officer who dealt with an issue. In some cases the information was available but storage and classification was poor and could not be easily accessed.

The research further noted that there was need for LAs to create a communication forum with street traders either through their associations or through a standing committee. Associations such as KASVIT are currently serving such roles, and have managed to engaged their LAs on issues relating to street trade. Communication needs to go hand in hand with information dissemination, including making policies and regulations easy to

read and understand. The MSE Task Force report has suggested the establishment of Jua Kali Authority comprising of Government Ministries and across section of stakeholders. The authority will drive the implementation of MSE policy, as well as coordination of the sector. The establishment of this authority has potential of improving the performance of MSEs.

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