

Rethinking the Kibera ‘Slum’: The Role of Social Networks as a Mechanism for Coping with the Increased Demand for Job Opportunities

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ABSTRACT

Rural-urban migration is a livelihood strategy used to increase income at the household level. This study proposes four stages of livelihood enhancement in the urban informal sector: (1) Migration from rural to urban areas, (2) Entering an informal sector, (3) Formation of self-help groups and local enterprises and (4) Expansion of stable income-generating activities. At these different stages, social networks play critical roles in connecting new migrants to the assets and networks that they need to increase and stabilize their income. At the fourth stage, migrants who operate local enterprises start creating ties with their business partners in the formal sector. Yet, they tend to choose to remain in the informal sector because of the better access to income, assets and networks. The traditional dualistic view of labour market, which is segmented into the formal and informal sectors, is not applicable to the cases observed in Kibera because the residents’ ultimate goal for livelihood enhancement is not solely to enter the formal market but also to maximize their income. Economic activities observed in Kibera cannot be fully explained by applying the existing studies and general theories of ‘slum’ as evidenced by this study. Comprehending the current state of Kibera leads to plentiful implication for expanding the theory and practice of sustainable development in the informal sector.

Keywords: Kibera, Informal sector, Social networks, Job market, Sustainable Development

1. Introduction

Upgrading slum conditions has been one of the most critical global agenda items, as evidenced by the Millennium Development Goals (MDGs), Goal 7 (UNEP & UN-Habitat, 2006), taken over by Sustainable Development Goals (SDGs). It is estimated that 863 million people are living in slum conditions (UN-Habitat, 2014). Currently, the number of people residing in slum conditions in Sub-Saharan Africa has reached 199.5 million (UN-Habitat, 2014), and this number will increase. Especially, in response to rapid urbanization, the improvement of living conditions in the slum has been one of the central issues of sustainable development in Sub-Saharan Africa, where poverty is a major concern. Slum is defined as “a heavily populated urban area characterized by substandard housing and squalor” (UN-Habitat, 2007). Then United Nations officially uses five characteristics to define slums: (1) inadequate access to safe water, (2) inadequate access to sanitation and infrastructure, (3) poor structural quality of housing, (4) overcrowding, and (5) insecure residential status (UN-Habitat, 2015). The intense focus on the improvement of basic services and facilities such as sanitation services, access to clean water and toilets, solid waste management and education is due to these characteristics of slum conditions. Rural-urban migration has been accelerating the formation of slums and increasing the population (Harris & Todaro, 1970; Fields, 1975; Mberu et. al, 2013; Agesa & Kim, 2001). Migrants move to urban areas to maximize their well-being by increasing their household income (Harris & Todaro, 1970; Fields, 1975; Mberu et. al, 2013; Agesa & Kim, 2001). The better wages and opportunities for income-generating activities in urban areas trigger rural residents to migrate to these areas. In other words, migration is a livelihood¹ strategy at the household level (Agesa & Kim, 2001). Migrants who fail to find a job in the formal sector in cities remain in the informal sector. While living in a slum, they temporarily engage in informal economic activities to generate income and search for further opportunities in the formal sector. Generally, the slum serves as a place where informal economic activities take place; thus, it is an informal sector. Harris & Todaro (1970) established a

¹ Also see Chambers (1995).

model that explained this formation of the informal sector¹ in relation to the formal sector in Sub-Saharan Africa (Harris & Todaro, 1970). Their work has been well known as the ‘Two sectors model’ (Harris & Todaro, 1970)². Harris & Todaro (1970) succeeded in depicting the relationship between the informal and formal sectors. Thus, their theory has been influential for studies on the informal sector worldwide. However, this “traditional view of the labor market” has been critiqued (Maloney, 1998). Many studies revisited Harris & Todaro’s (1970) model (Maloney, 1998; 1999; 2004; Field, 1975; Hart, 1993; Banerjee, 1994; Castles & Miller, 2009). In his studies conducted in Mexico, Maloney (1998; 1999; 2004) argued that the informal sector has traditionally been regarded as the “disadvantaged segment of a dual labor market segmented by legislated or union-induced rigidities and high labor costs in the protected (or “formal”) sector” (Maloney, 1998). The informal sector is often associated with small-scale, semi-legal, low-productivity, and family-based enterprise (Maloney, 2004). In comparison to the formal sector, the informal sector is viewed as inferior in terms of income level, work conditions, risk of turnover and remuneration rates (Maloney, 2004). Regardless of these perceptions, the informal sector plays an important role. Not all migrants from rural areas could be employed in the formal sector. On the one hand, some migrants who fail to find a job in the formal sector remain in the informal sector and search for opportunities to generate income for their survival in the formal sector. On the other hand, some people intentionally choose to remain in the informal sector and expand their income-generating activities in this sector because they achieve better earnings than they would in the formal sector (Maloney, 2004). This difference in choices cannot be solely explained by applying existing studies and general theories of the informal sector such as Harris & Todaro’s (1970) model. The development of the informal sector has been remarkable, and it now accounts for more than 70 % of GDP in developing countries (Agesa & Kim, 2001). Some studies have reported that remittance sent by urban dwellers enhance the household livelihood in rural areas. Thus, migration is a livelihood strategy. Although discussions about attempting to transform the informal sector into a formal sector have taken place (ILO, 2009; Kucera & Roncolato, 2008; Tokman, 1978; 2007), examinations of the dynamics between job opportunities in the informal sector and the formal sector (Maloney, 1998; 1999; 2004; Field, 1975; Hart, 1993; Banerjee, 1994) must consider the contribution of the informal sector to economic growth. Their studies provide insight into how crucial it is to understand the creation of income-generating opportunities in the informal sector. The purpose of this study is to examine how migrants from rural areas enhance their livelihood in urban cities by identifying how they obtain access to income-generating activities in both the formal and informal sectors. This study will expand existing theories of the informal sector by revisiting previous theories such as that of Harris & Todaro (1970). This study examines the case of Kibera, where the boundary between the informal sector and formal sector has been becoming blurred. Kibera is one of the settlements in Nairobi, Kenya, that is recognized as an informal settlement (UN-HABITAT, 2006; 2010; 2014). It has long been regarded as the largest and poorest ‘slum’ in Africa. Kibera has been accommodating job seekers migrating from rural areas to Nairobi City for more than 100 years (Ekdale, 2014), and the creation of job opportunities has been one of the central issues (ILO, 1972). In Kenya, income-generating activities in the informal sector are called ‘*jua kali*’. *Jua kali* in Swahili is translated as ‘work under the sun’. Any type of job in the informal sector can be categorized as *jua kali* such as charcoal selling, food selling, and performing repairs of objects on the streets. In Kibera, residents engage in various income-generating activities to diversify their livelihood strategies. Those income-generating or microenterprises serve as a poverty alleviation strategy (Gulyani & Talkdar, 2010). This study starts with a literature review of studies on social networks because social networks play crucial roles in assisting migrants in finding and enhancing income-generating activities (Banerjee & Bucci, 1999; Elliot, 1999; Ioannides & Loury, 2004; Luke & Mushin, 2006; Mitra, 2004; 2010; 2013; Mberu et al, 2013; Montgomery, 1991; Munshi, 2003; 2011; Schmutte, 2015; Smith, 2005; Wegener, 1991), especially in the informal sector. This review is followed by the methodology section employed to reveal how people gain access to the labour market in the informal settlement. Then, the results of the field research are presented. Finally, this paper discusses the issues identified in Kibera and provides implications for further research and development of poverty reduction strategies in urban informal settlements.

2. Literature Review

The livelihood condition of those experiencing urban poverty in the informal sector, particularly in the context of developing countries, has drawn research attention (Turner, 1969; Chambers 1995; Amin, 2011). Turner (1969) discovered that residents in informal settlements have developed a highly organized livelihood system based on self-help or reciprocity to meet their needs (Turner, 1969). Moser (1998) introduced the following point of view for the study of urban livelihood: “the poor themselves are managers of complex asset portfolios” (Moser, 1998:1). This means that urban dwellers in poor conditions obtain what they need to survive and enhance their livelihood by utilizing what they have/ have access to. She developed a model called the ‘asset vulnerability

¹ Also see ILO (1972; 2009) and Chen (2012)

² For more details regarding their contribution, see Bardhan & Udry, (1999).

framework' to analyse the livelihood strategies that urban dwellers can employ (Moser, 1998). The model states that urban dwellers must enhance different types of assets, i.e., labour, human capital, productive assets, household relations, and social capital, to respond to economic difficulties. In a similar manner, the Department for International Development (DFID) proposed five types of capital, human capital, social capital, physical capital, natural capital, and financial capital (DFID, 1999), that are key to establishing a sustainable livelihood. Moser (1998) claimed that labour/human capital is the most important of those assets/types of capital because generating income is critical to sustaining livelihood. This is because urban dwellers can rely only on their own labour/human capital when they lack access to other assets, which is often the case in developing countries. By utilizing their labour/human capital as an asset, urban dwellers are able to access other assets such as financial capital and physical capital. How urban dwellers, especially new migrants, enter job markets and access income-generating activities has long been questioned (Mitra, 2010). Mitra (2004; 2010; 2013) proposed that social networks can be "a substantive basis to the understanding of how the urban labour markets in developing countries function", especially in the context of the informal sector (Mitra, 2010: 1371). A number of studies have provided evidence for why and how social networks play a vital role in increasing income and promoting the enhancement of livelihood (Banerjee & Bucci, 1999; Elliot, 1999; Ioannides & Loury, 2004; Luke & Mushin, 2006; Mitra, 2004; 2010; 2013; Mberu et al, 2013; Montgomery, 1991; Munshi, 2003; 2011; Schmutte, 2015; Smith, 2005; Wegener, 1991). In spite of their intangibility and difficulty to measure, social networks have been largely studied. Accordingly, the definitions of social networks have been developed in various contexts, and different functions of social works have been identified (Putman, 1993; Dasugpta, 2000). Social networks, which are often called social capital or social ties, refers to various relationships such as family ties, kinship, friendship, mutual trust, reciprocity, community, or neighbourhood (Putnam, 1993). Social networks contribute to enhancing individuals' livelihood in both urban and rural contexts. Especially, when people migrate from rural to urban areas, social networks assist in different aspects of their livelihood enhancement and in developing income-generating activities in the informal sector (Munshin, 2014). Social networks play an important role in creating linkages between rural and urban contexts. When people migrate from rural to urban settings, they need to receive assistance from the urban dwellers. A study conducted by Agesa & Kim (2001) showed that migrants maintain their ties with families back home in their rural area (Agesa & Kim, 2001). They examined the urban-rural linkages in Kibera and discovered that these linkages serve as safety nets for new migrants (Agesa & Kim, 2001). Even when they are living on small wages, they are able to survive due to the food sent by family members remaining in rural area. Furthermore, the migrants send remittance and support the development of rural livelihood (Castles & Miller, 2009). These urban-rural linkages are critical and need to be well maintained. The authors discovered that migrants maintain rural linkages as "a household survival strategy" (Agesa & Kim, 2001:275). Social networks play a significant role when people enter a labour market and facilitate job finding, as identified in existing studies (Banerjee & Bucci, 1999; Elliot, 1999; Ioannides & Loury, 2004; Luke & Mushin, 2006; Mitra, 2004; 2010; 2013; Mberu et al, 2013; Montgomery, 1991; Munshi, 2003; 2011; Schmutte, 2015; Smith, 2005; Wegener, 1991). Luke & Munshi (2006) and others explained that a migrant as a newcomer in the labour markets has less information and ability compared with established workers who have more experience. Employers also prefer to hire experienced workers (Luke & Munshi, 2006; Schmutte, 2015; Wegener, 1991). Researchers have argued that local social networks help workers find employment by providing referrals and job information (Luke & Munshi, 2006; Schmutte, 2015). By using social ties, job seekers can get in touch with a person/people with superior knowledge and influence (Schmutte, 2015) and can solve the basic information problem faced by employers in labour markets with high rates of job turnover (Luke & Munshi, 2006). In addition, once these networks have been established, unemployed urban dwellers can help one another. Thus, social networks function as "job referral networks". Especially for the jobless, social networks can provide an entry point to the job market. Furthermore, job fluidity can also be determined by job seekers' social ties (Wegener, 1991). Luke & Munshi (2006)'s study showed that "the kinship networks that have recently been transplanted to the city differ from the traditional rural networks in a number of ways" in terms of their function and support of rural-urban migrants in urban environments (Luke & Munshi, 2006: 264). Still, the study that Macharia (1988; 1992; 1993; 2003) conducted in Kibera indicated that family ties, friendships and ethnicity are the key networks that migrants enter into when they migrate. Finding a job in the *jua kali* sector is mostly supported by those ties. According to Aldrich & Meyer (2015), social networks can be categorized into three different types. The first type is called *Bonding*. This type is identified as "connections among individuals who are emotionally close, such as friends or family" (Aldrich & Meyer, 2015: 258) and that thus create tight bounds. The second type is called *Bridging*. It is defined as "acquaintances or individuals loosely connected that span social groups, such as class or race" (Aldrich & Meyer, 2015: 258). The third type is called *Linking*. This type connects "regular citizens with those in power" (Aldrich & Meyer, 2015: 258). Lesage & Ha (2012) identified that the literature divides social networks into two categories: '*strong ties*' and '*weak ties*'. According to their categorization, *strong ties* in networks are "those between individuals who are close friends, share a large number of common interests, relate emotionally, and confide in each other" (Lesage & Ha, 2012: 3). *Weak ties*

in networks “represent situations where acquaintances are connected with one another based on common interests, shared experiences, but overall are not close friends” (Lesage & Ha, 2012: 3). In terms of density and size, *strong ties* in networks are dense but small and are close-knit, whereas *weak ties* are loose, but even they can span across different social groups. Lesage & Ha (2012) argued that the strength of social networks ties can determine the distance that people travel to migrate from rural to urban contexts. As mentioned, previous studies have tended to focus on the role of family ties, friendships and ethnicity. This is because it is common to find certain ethnic groups living together after they migrated from rural to urban areas, especially in developing countries such as Africa. Furthermore, in Kibera, people migrating from the same place of origin tend to reside together, as Macharia (1988; 1992; 1993; 2003) pointed out. However, this study also found that Macharia (1988)’s study needs to be updated because the condition of Kibera has changed since the time he conducted his study. A recent study showed that divisions can be observed but that all the ethnic groups in Kibera represent residents (Mutisya & Yarime, 2011). Moreover, people can newly create and strengthen social networks in Kibera by engaging in common livelihood activities such as sac gardening¹. Sac gardening not only provides food security but also brings neighbours together and helps them to provide support to each other (Gallaher et al, 2013). Existing studies have shown that social networks can secure and enhance the livelihood condition of migrants and residents in the informal sector. Both Moser (1991) and DFID (1999) considered social network as an asset/type of capital in parallel with others. However, one can state that social networks serve as a foundation for other assets/types of capital to be used and accumulated by holders. However, previous studies have not fully explained the process by which social networks can actually assist residents in terms of job finding and income generation. Furthermore, they have not described the different roles of social networks at different stages. Because labour is the most important asset that residents of informal settlements can utilize (Moser, 1998), how migrants utilize social networks in Kibera and obtain access to job opportunities both inside and outside of Kibera should be examined. In the asset framework, the social network is viewed as an asset (Moser, 1998), but this study regards social networks as a tool to gaining access to / accumulating other assets rather than an asset itself. In addition, it is inferred that social networks are categorized into several types and that the strength of the ties determines the opportunities that one can access. Whereas previous studies have tended to stress the effectiveness of social networks categorized as *bonding* (Aldrich & Meyer, 2015) and *strong ties* (Lesage & Ha, 2012), this study explores the possibility that residents of Kibera form new social networks after settling in Kibera, as elaborated in the next section.

3. Methodology

3.1 Theoretical Framework

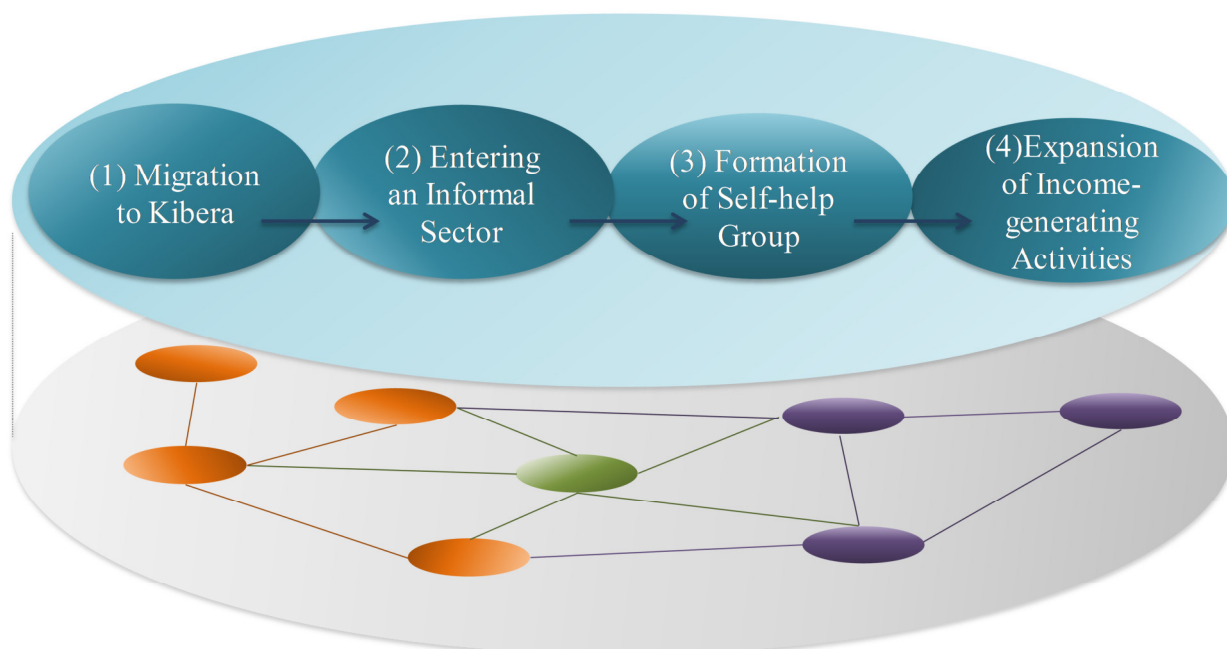


Figure 1: Migrants' Livelihood Enhancement

Source: Made by the authors

Figure 1 explains how migrants from rural villages enhance their livelihood in urban areas as a

¹ See Gallaher et al. (2013) for details.

household strategy. As shown, this study proposes four main stages/ steps in the livelihood strategies that migrants can employ: (1) Migration from rural to urban areas (2) Entering an informal sector, (3) Formation of self-help groups and (4) Establishment of stable income-generating activities (Figure 1). Social networks should be assumed to serve as a foundation that supports those strategies in a step-by-step manner and enhance migrants' livelihood (Figure 1). At each stage, different types of social networks play different roles. The interview data collected from the residents of Kibera substantiates how the different types of social networks assisted them in enhancing their livelihood at all four stages.

3.2 Study Site

Kibera is composed of 12 villages¹. Three villages, Gatwekera, Soweto and Kianda, were selected as field sites for this study (Figure 2). These villages belong to the area called Sarang'ombe, where new migrants tend to choose to settle first. Therefore, the population is large, diverse, and characterized by high mobility. Because people need to build their life in Kibera, various *Jua kali* activities have been observed in those villages. Income-generating activities include opening salons, selling groceries, selling charcoal etc., and residents of different ages and genders operate these activities using the different assets available to them.

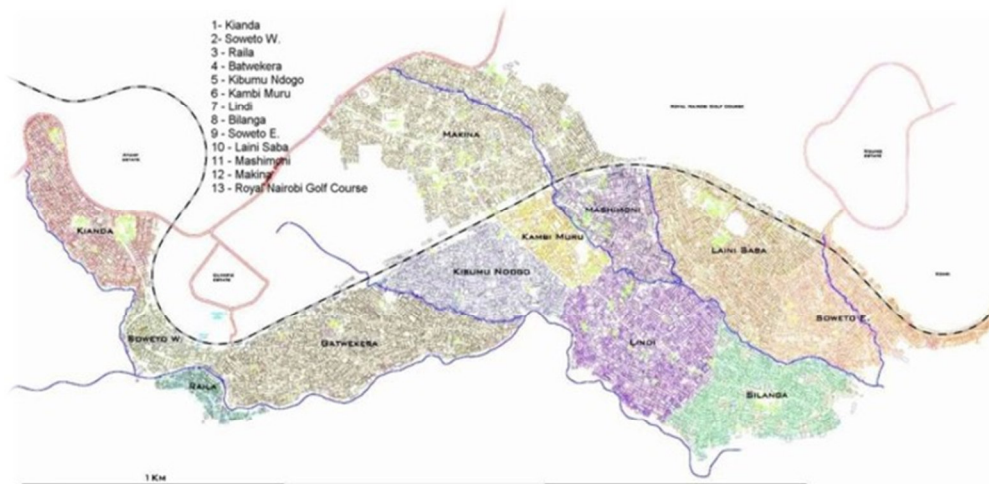


Figure 2: Map of Kibera
Source: Umande Trust (2015)

3.3 Data Collection

The field survey took place in February 2015 in Kibera. The data were collected through interviews. The informants were engaging in income-generating activities in the informal sector, including *jua kali*, in Kibera (Figure 3). The interviews were semi-structured, and the interview questions were constructed based on the theoretical framework provided in section 3.1. Additionally, a focus group discussion took place with youth living on wage work in Kibera. The staff of the *Umande Trust*², a local NGO based in Kibera, assisted with the collection of data.

4. Results: Livelihood Enhancement and Roles of Social Networks in Kibera

The key informants are briefly described below.

¹ Because Kibera is an informal settlement, official administrative data do not exist.

² Umande Trust is a NGO based in Kibera <http://umande.org/>

Table. 1: Informants

Small Business	Restaurant (hotel) Accessory Processing Salon Plastic Recycling
Residents without a Stable Job	Youth on the Street
Residents with a Job in Nairobi	Mobile Company
NGOs	Water & Sanitation Bio Fuel Education
School	Junior High School
Academia	University of Nairobi

Source: Made by the authors

1. Informant A (A hotel owner, Male, 31 years old)

He moved to Kibera 10 years ago from a rural village in Western province. He decided to migrate because he needed to earn money to pay the school fees for his younger brothers and sisters. He has five siblings and no parents. As the oldest child, he had the responsibility to take care of his family remaining in the village. Before migrating to Kibera, he asked one of his friends, who had already moved to Kibera, to find a place for him to stay in Kibera. After he settled in, the same friend again assisted him in finding *jua kali*, which he expresses as “*small jobs here and there to get money*”. He engaged in different *jua kali* to earn small wages every day for four years. Six years ago, he started selling *mandazi* (local donuts) by himself. He brought his siblings to Kibera, and while

sending them to school, he saved up enough money to start a new business

independently. With the money he had saved up and money borrowed from an informal lender, he opened a “*hotel*”, which is often referred to as a restaurant in Kibera, three years ago. Now, he pays his five employees a salary. He got married in Kibera, and he is now able to earn sufficient money to support not only his family back home but also his own immediate family. He is grateful that he can send his four children to school so that they can receive an education and get a good job in the future. He thinks that he has sufficient earnings to move to Nairobi city with his family for the better opportunities available there.

2. Informant B (A salon owner, a member of a self-help group, female)

She has been living and operating businesses in Kibera for 9 years. She came to Kibera when she got married to her husband who lived in Kibera. She completed a professional course to become a hairdresser in Nairobi. With some money that her parents provided to support her, she opened her own hair salon with one of her friends. While running a hair salon, she provides a diploma course to train students to be hairdressers and employs them. She mostly accommodates young women who wish to learn skills, and she now has 8 employees. She feels as though her students are similar to her real “*family*”. Her business is going “*very nicely*” and is always busy. She has many customers and is fully booked every day. She is a member of a self-help group called “*active mothers*”. The members are all “*friends*” and support each other. She thinks this network is very helpful, especially for those who run a business daily because it serves as a safety net. She is willing to accommodate and increasing number of young women in Kibera so that they can generate an income.

3. Informant C (An employee of a local enterprise, male, 32 years old)

He is working as a craftsman employed by an operator of a local enterprise that makes and sells accessories in Kibera. He processes domestic animal bones purchased from the butcher and makes necklaces, bangles and earrings. He worked as a mechanic and fixed cars before he started working as a craftsman in Kibera. The job was seasonal and he did not have a stable income throughout the year. Furthermore, his boss did not always pay his wages on time. His uncle who previously worked in this enterprise saw him struggling and introduced him to his current employer. The operator of this enterprise provides free training and meals for the trainees during the training period. *Informant C* became a trainee and learned how to polish and color animal bones. He has developed the knowledge and skills required to become a craftsman after the training. He has become a member of this enterprise and has been able to obtain a stable income for three years. He had not expected that he would be able to get married because he did not previously have a stable income, but he got married and is now a father to two children thanks to the current job that the enterprise offered him.

4. Informant D (An operator of a local enterprise, male, 32 years old)

He is one of the operators of a local enterprise. This enterprise generates income through selling plastic waste collected in Kibera to recycling companies in industrialized areas in Nairobi. He was previously self-employed and sold groceries on the streets of Kibera. He was introduced to this income-generating activity by one of his friends after he moved to Kibera. However, it did not go well, and he could not earn sufficient

money to support himself. One day, he came up with the idea of “*turning waste into value*”, i.e., to recycle plastic waste disposed on the streets of Kibera. Two of his friends agreed with this idea, and they decided to start a small enterprise. At first, they collected plastic waste and sold it to the recycling companies. However, as they began generating income, they were able to purchase an electric machine to crush plastic materials such as pet bottles and to buy a large truck to transfer the plastic to the industrial area in Nairobi. Three people started this enterprise, but they now have 30 employees because of the expanding business. They are hoping to make more profit and provide stable job opportunities in Kibera. To do so, they are looking for an opportunity to take out a loan to purchase another machine.

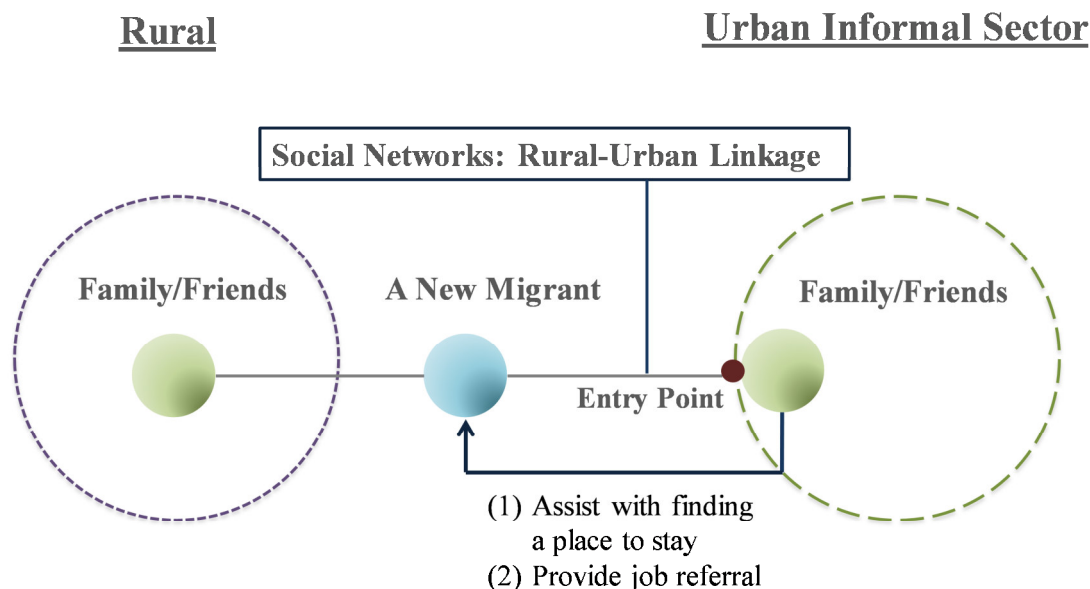


Figure 3: Migration to Kibera and entering an informal sector

Source: Made by the authors

5. **Focus group discussion with youth aged 18-30 years old (Informant E: Male, Informant F, Informant G, Informant H, Informant I, and Informant J)**

The focus group discussion included six youth who wish to enter the formal market. When they have time, they often spend time together. They earn money by selling groceries as self-employed workers or are hired by the government or international NGOs as temporary wage labours to perform work such as construction work. They also work as a part-time tour guides of Kibera because they are fluent in English. Some of them even have diplomas and university degrees, whereas others dropped out of school. They have been looking for a job in the

formal sector because they are educated. In particular, they are hoping to work for the government officials in the future. They communicate with one another via Facebook; however, they do not have any intentions to form a self-help group or start enterprises independently.

4.1 Migration to Kibera: Social Networks as Urban-Rural Linkages

It is difficult for new migrants from rural areas to find a place to live in Kibera independently because land is limited due to the rapid increase in the population (Interview: *Informant A*). One cannot simply go to Kibera and find a place to live. According to *Informant A*, it is crucial for migrants to find a person who can assist them in finding a piece of land on which to settle. Before migration, migrants contact people, mostly family members, relatives or close friend, who had already migrated to Kibera or an individual in the same village who is familiar with Kibera to ask for help with settling. Family, relatives or friends can serve as the middlemen who assists migrants with entry to Kibera. Maintained rural-urban linkages thus serve as points of entry (Figure 3). Marriage also brings new migrants to Kibera. *Informant B* is one of the migrants who moved to Kibera due to marriage. The person who helps newcomers enter Kibera plays the most critical role because he or she can provide an entry point.

4.2 Entering an Informal Sector: Social network as a Job Referral Network

After settling in Kibera, new migrants enter the *jua kali* sector in the informal sector and engage in income-generating activities to earn daily wages and sustain their lives. According to *Informant A*, the person who assisted migrants in settling also assist them in finding a job so that migrants are able to start earning money immediately and to set up their new life smoothly (Figure 3). For the newcomers, accessing income-generating

activities is as difficult as finding a place to live in Kibera. This is because managers of the income-generating activities in *jua kali* in the informal sector tend to employ people who are more reliable and trustworthy. Therefore, job finding also requires a middleman who serves as a referral. Social networks provide new migrants with job opportunities and thus function as job referral networks. At the stages of (1) Migration to Kibera and (2) Entering the informal sector, migrants mostly rely on family ties and friendship. Those stages are most critical in the course of livelihood enhancement. Some migrants from the same rural village who belong to the same ethnic group live close to each other in Kibera. However, exclusive ties based on ethnicity were not observed during the fieldwork. *Informant A* expressed that the person who assists migrants determines the direction of new migrants' life. He knows people who joined gangs after settling in Kibera and commit crimes. He thinks that he could have been one of these people if he had asked a person from "a bad group" for help (*Informant A*). It is understandable that newcomers tend to trust and rely on family, relatives or friends, who are emotionally connected and have known one another for many years.

4.3 Formation of Self-help Groups and Local Enterprises

While engaging in income-generating activities or *jua kali* in the informal sector, migrants are able to expand their social networks (Figure 5). Not only family ties and friendships but also neighbours and colleagues working in the same *jua kali* have also been added to the new social networks that migrants developed in Kibera. As *Informant B* explained, her employees all live close to each other and help each other with household chores such as cooking. In the course of supporting one another, the social networks form a self-help group. When one becomes a member of a self-help group, he or she receives various benefits and types of support. For example, he or she can borrow from the money pooled by other members or can increase neighbourhood security. When *Informant B* was robbed in her hair salon and lost all her equipment, she borrowed money from the self-help group that she belongs to and restarted her own business. The formation of self-help groups might start with family, friends, colleagues, and the need to survive and need for reciprocity may sustain those self-help groups. Additionally, some self-groups have been formed by residents who share the same 'interest' in business opportunity (Figure 5). As *Informant D* described in detailing how he started a new business, residents find that some people share the same interests or intentions to start a new business. According to the local NGO, self-help groups or enterprises are often formed and local businesses are often operated based on these networks in Kibera (Interview with Carolina for Kibera (CFK), Umande Trust). This study noted the formation of self-help groups or enterprises as a new type of social network that might be called 'grouping'.

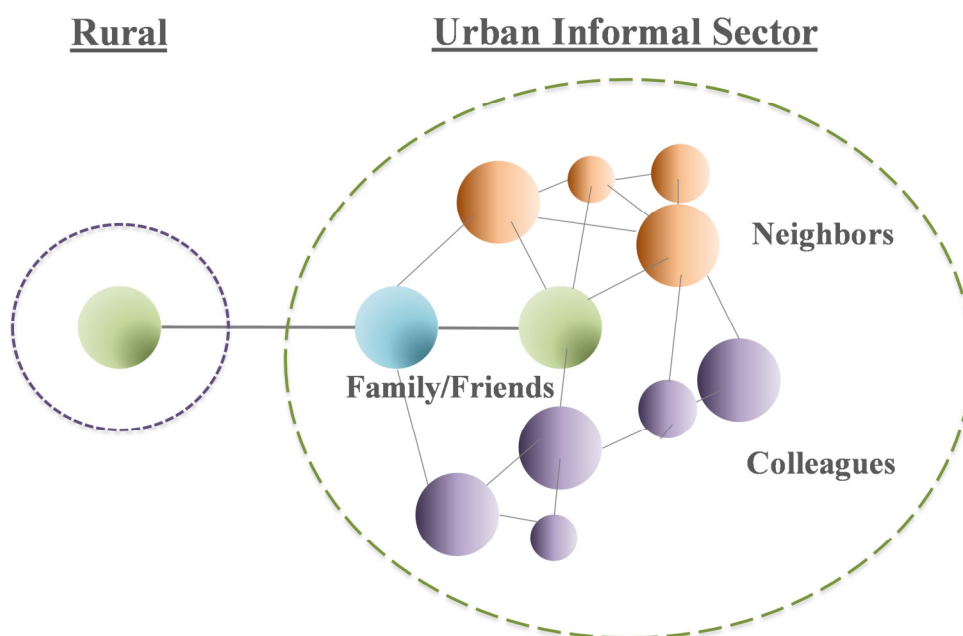


Figure 4: Expansion of social networks
Source: Made by the authors

4.4 Expansion of Stable Income Generation

Although they are recognized as informal economic enterprises, many local enterprises in Kibera make sufficient profits to provide their employees with stable income and hire more employees. To manage the increasing profit

and expand their business, local enterprises have very similar structures and functions as those of firms in the formal sector. For example, the enterprise operated by *Informant D* has a committee with a president, vice president, secretary, and accountants. Furthermore, the enterprise established a supply chain to stock animal bones and a marketing network to sell

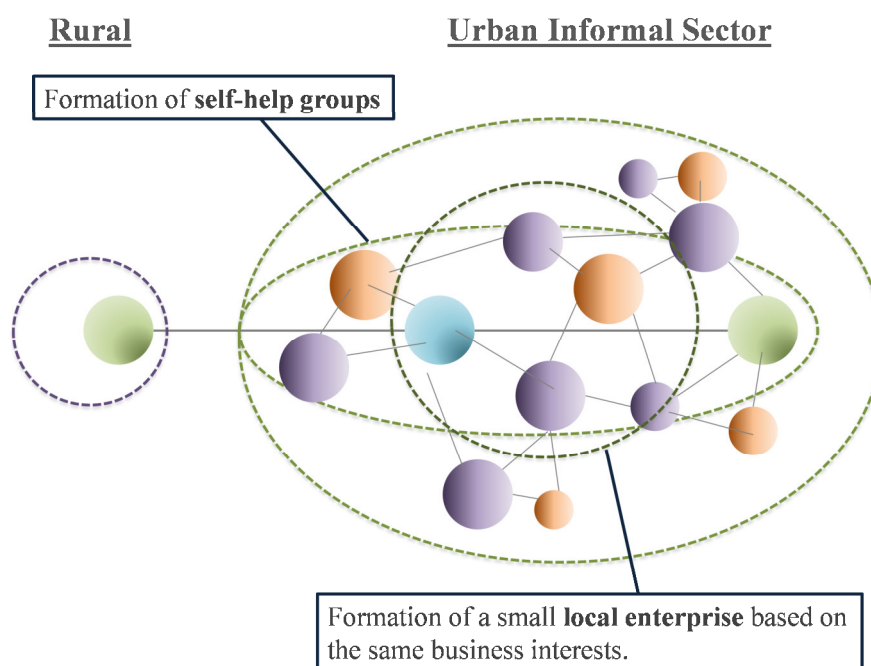


Figure. 5: Formation of self-help groups

Source: Made by the authors

the products. Another important characteristic of these ties is that they have connections with business partners in the formal sector (Figure 6), as in the case of *Informant D*'s enterprise. An employer of *Informant C* also uses online media to promote the products, and he has created a connection with the fashion industry abroad to bring more business opportunities in the future. *Informant B* is able to enter the formal job market at any time because she has her certificate and has trained staff members. However, she has chosen not to move to Nairobi City and to remain in Kibera because she can make more profit in Kibera than in the formal sector. In this sense, income-generating activities cannot be clearly classified into the dualistic model of formal and informal sectors. Rather, the boundary of the two sectors has been becoming blurred. In addition, one can appropriately state that migrants can choose either to newly enter the formal market or expand their income-generating activities in Kibera, where they have more resources and networks that they can utilize.

This is summarized by the following statement made by the *Carolina for Kibera (CFK)*¹, a local NGO working to alleviate poverty in Kibera and empower the youth: "*Kibera is a way of life, not a space to live*" (Interview with CFK). Kibera itself is a "*system*" designed to enhance people's livelihood. Residents develop diverse "*business models*" that operate with minimum investments yet increase income by utilizing the resources/ assets available in Kibera, such as animal bones or plastic waste, as *Informant C* and *Informant D* did. As discussed, social networks underlie this system. In this sense, this study proposes that the ultimate goal of residents in Kibera is not "*moving out*" of Kibera to Nairobi or out of the informal sector to the formal sector but to simply "*be okay*" or "*put something in the stomach*" (*Informant D*). The dualistic view of the labour market, which is segmented into the informal and formal sectors, does not seem to exist when considering livelihood enhancement. As expressed by *Informant D*, "*income is the most important resource*". To change one's unemployment status, one must "*keep oneself busy as a human being*". As long as one can obtain income and sustain him or herself, it does not matter whether the work is informal or formal.

¹ See Carolina for Kibera: <http://cfk.unc.edu/>

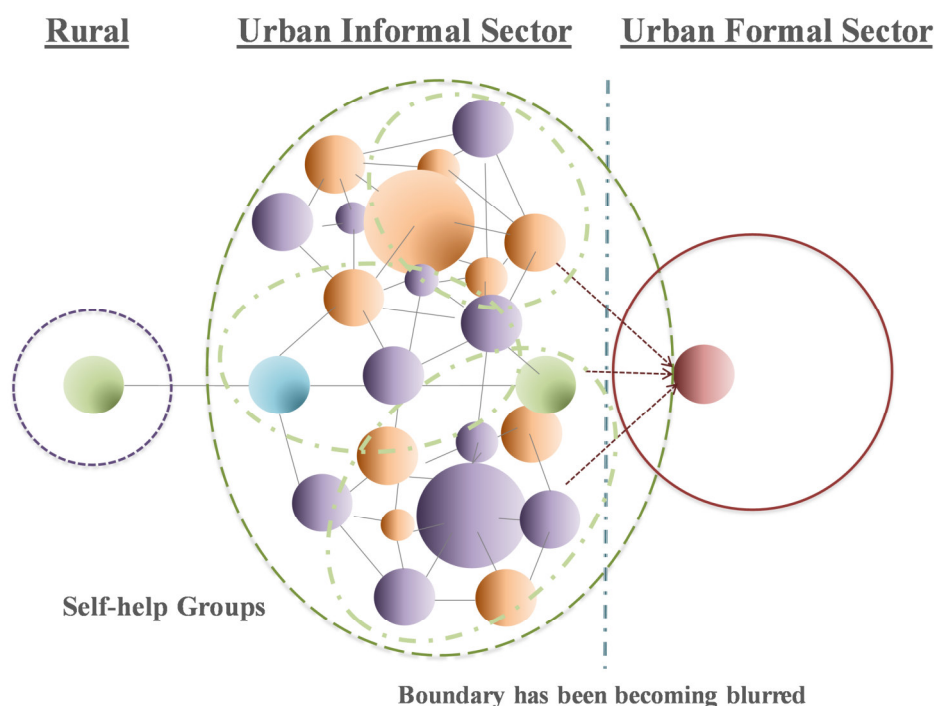


Figure 6: Establishment of Stable Income Generation
Source: Made by the authors

4.5 Residents Outside of the Network

In the course of the fieldwork, this study also identified people who were left out of social networks. Some of the informants in the focus group experienced urban-urban migration from Nairobi City to Kibera. This was also a livelihood strategy. Most of these urban-urban migrants failed to enter the formal job market in the city even though they had completed basic education and even obtained college diplomas/degrees. The cost of living in Nairobi city without a stable salary can be expensive; thus, they decided to move to Kibera, where the living expenses are lower¹. They engage in temporary wage work, as tour guides of Kibera (because they are fluent in English) or short-term construction labourers, which provides sufficient money to survive. Although they experience difficulty in making ends meet, they chose not to form or join a self-group to obtain a better and more stable income in the informal sector. They spend time together on occasion in Kibera and exchange some information, but they find wage work individually because they are still searching for job opportunities in the formal sector, such as jobs with governmental officials.

5. Conclusions

This study examined how migrants from rural areas enhance their livelihood in Kibera. In doing so, this study proposed that obtaining access to income-generating activities is one of the most critical tasks in enhancing one's livelihood. This study proposed four stages that migrants undergo in the course of livelihood enhancement: (1) Migration from rural to urban areas, (2) Entering an informal sector, (3) Formation of self-help groups and (4) Expansion of stable income-generating activities in Kibera. This study revealed that social networks play critical roles in moving new migrants through the different stages and connecting them with entry points at those different stages. The results of this study indicate that the dichotomy of the formal and informal sectors presented in previous theories, such as that of Harris & Todaro (1970), cannot fully capture the situation in Kibera. As Munshi (2014) indicated, one must be aware that some people are shut out from the social networks even though they are looking for jobs/ income-generating activities. This study also revealed that some individuals are left outside of the network and struggle to gain access to stable income-generating activities. Temporary projects such as infrastructure construction implemented by government or local NGOs may function as social safety nets for those who are kept out of social networks and frequently find themselves in severe poverty. This is because the government and local NGOs can absorb these people as wage labourers. However, these activities do not help residents acquire human capital (skills and knowledge) to obtain access to more stable and better-paying job opportunities. The results of this study suggest that poverty-alleviating

¹ Also see Ekdale (2014).

projects/strategies should be planned in such a way that they include those who are left out of local networks to enable them to gain access to stable job opportunities so that they can break out of the cycle of poverty. As often discussed, the lack of governance is one of the problems in Kibera that delays improvements in livelihood conditions (Mutisya & Yarime, 2014). Because Kibera has not been recognized as a legal settlement, the government does not provide services (Mutisya & Yarime, 2014). This study has been observed that self-help groups that operate *jua kali* have the capacity to accommodate individuals who are looking for job. They create job opportunities for residents, provide free skill trainings so that these residents can accumulate human capital, and assist them in gaining access to income-generating activities. However, due to the lack of facilities, they cannot increase their number of employees. Kibera has attracted a large number of aid agencies, including international organizations, local NGOs and academic researchers. However, this aspect has not been specifically examined. An understanding of the current state of Kibera will lead to many implications for expanding the theory and practice of sustainable development. The results of this study suggest that poverty-alleviating projects/strategies should be planned in such a way that they include individuals who are left out of local networks to enable them to gain access to stable job opportunities and get out of the cycle of poverty. For the future reference, this study further intends to quantify the strength of social networks and measure the impact on livelihood activities with bigger sample size in Kibera. The quantification of social network will be beneficial for identifying the individuals or communities who do not included in the local networks or those who have weak connection to the network. The result will provide insight for developing the poverty-alleviating strategies targeting to enhance the livelihood in informal sectors.

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