

# Social Relations and Associations in the Informal Sector in Kenya

*Mary Njeri Kinyanjui*

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## Acronyms

<b>AIDS</b>	acquired immunodeficiency syndrome
<b>CBD</b>	central business district
<b>CME</b>	coordinated market economy
<b>CWA</b>	Catholic Women's Association
<b>DATO</b>	District Applied Technology Officer
<b>GAR</b>	gross attendance ratio
<b>HIV</b>	human immunodeficiency virus
<b>Ksh</b>	Kenyan shilling
<b>KTDA</b>	Kenya Tea Development Authority
<b>LME</b>	liberal market economy
<b>MDG</b>	Millennium Development Goal
<b>MP</b>	Member of Parliament
<b>NAR</b>	net attendance ratio
<b>NARC</b>	National Rainbow Coalition
<b>NCCK</b>	National Council of Churches of Kenya
<b>NGO</b>	non-governmental organization
<b>NSSF</b>	National Social Security Fund
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>PATO</b>	Provincial Applied Technology Officer
<b>RBA</b>	Retirement Benefit Authority
<b>SACCO</b>	Saving and Credit Cooperative
<b>SEWA</b>	Self-Employed Women's Association
<b>WBG</b>	Wapanda Baiskeli Group
<b>YMCA</b>	Young Men's Christian Association

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This work will be developed further into a book project entitled *Institutions of Hope: Grassroots Efforts from Social Economic Despair in Kenya*.

## Summary/Résumé/Resumen

### **Summary**

Research on the informal sector tends to pay little attention to the evolution and dynamics of social institutions and social relations. Most institutional analysis compares the informal sector with the formal sector but does not deeply analyse the institutions of the informal sector in their own right. Informal sector policy and practice often prescribe interventions for the sector, but do not advance proposals on how to tap into and build on existing associations and relations. This paper examines the structure, organization and role of associations and social relations in the informal sector in Kenya, and argues the case for why analysis of the informal sector should take them into account.

Evidence from Kenya's informal sector shows that this sector is not just chaotic or disorganized, as some of the literature suggests. Numerous factors can push people into the informal economy – but once there, they mobilize social relations and associations to fulfil multiple tasks and functions. These social relations and associations are guided by particular norms and values that help in addressing fundamental concerns, such as organizing society and coordinating markets. Associations also play a role in production, consumption, distribution, protection and transformation.

Kinyanjui argues that straitjacketed formalization strategies may not always work when dealing with informal social relations and associations. There is a need to use alternative approaches that seek to address fragmentation – such as those recorded in economic history, for example, the incorporation of merchant guilds in London into the administration of the city – multiculturalism, corporatism and the co-optation of subaltern organizations in development policy and practice. The author's description and analysis seek to give an institutional meaning and logic to the social relations and associations of the people in Kenya's informal economy. She argues that they serve as institutions of hope in times of social economic despair because through them, members mobilize social finances, provide basic services and protection as well as negotiate for social justice. As such, it is important that these associations and relations are given space and opportunity.

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### **Résumé**

Les recherches sur le secteur informel ont tendance à peu s'intéresser à l'évolution et à la dynamique des institutions sociales et des rapports sociaux. La plupart comparent le secteur informel au secteur organisé mais n'analysent pas en profondeur les institutions du secteur informel pour ce qu'elles sont. Les politiques et pratiques relatives au secteur informel

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