

Covid-19 and Hawking Practices on Informal Sector & Smes: Solutions for Kisumu County, Kenya

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Abstract: Governments and administrative units across the globe are facing increased demand from their citizens to offer better services and improve living standards. While this is plausible, the governments have to be alert in offering solutions to unprecedented challenges spanning from destitution, lack of resources, increased foreign debts, poor governance structures among others. Its near fallacy for governments to overlook any presenting spectrum which may affect effective service delivery to her citizens as this may dent a glim picture of operations. The county government of Kisumu, Kenya, has faced numerous challenges chief among them, the upshot of covid-19 pandemic and hawking practices, which have affected operations of small and medium enterprises as well as the informal sector. This consortium annuls the influence of covid-19pandemic and hawking in the County Government of Kisumu and offers models of ramifications to alleviate the ills.

Key Words: Hawking Practices, Covid-19, Small & Medium Enterprises

I. The County Government of Kisumu

The concept of the County Governments was introduced upon the promulgation of the new Constitution of Kenya in 2010. Specifically, the devolved government units are established by Articles 6 and Chapter 11 of the Constitution. Accordingly, the 1st schedule of the Constitution establishes 47 County Governments and one national Government with specific and distinct but inter-related¹ functions as provided for in the 4th schedule of the same Constitution (Government of Kenya, 2010). Each of the 47 County Governments are comprised of the executive arm and the county assembly all of which are charged with specific functions within the objects of devolution as espoused in Article 174 of the Constitution.

Ochuodho & Ngaba (2020), studying revenue collection strategies in Kisumu County, points out that the main functions of the executive arm of the County Government revolves around implementation of government priorities while the

County Assembly is charged with enacting appropriate legislation that can aid proper functioning of the county government, offering representation of the people in government through their elected leaders as well as providing oversight over the executive as they discharge their functions for purposes of accountability and transparency. The devolved functions distinctively provided for in the 4th schedule of the Constitution are however operationalised through an array of other legislations including; the County Governments Act no.17 of 2012, the Public Finance Management Act no.18 of 2012, amongst others

Kisumu County Government is one of the 47 County Governments. Its borders are those of the former Kisumu district and borders Nandi County to the North East, Siaya County to the West, Vihiga County to the North and Kericho County to the East, Nyamira County to the South and Homabay County to the South West (IEBC, 2020). The county has a population of 1, 155, 574 with a growth rate of 1.4% (Kenya National Bureau of Statistics, 2019). The county has 7 sub counties in total. Additionally, the county is made up of 7 sub counties in total (IIBRC, 2018)

Table 1.1 KC Sub Counties

Sub County	Area (Km²)	Population
Kisumu East	135.90	229,997
Kisumu West	212.90	172, 821
Kisumu Central	32.70	174, 145
Muhoroni	667.30	154, 116
Nyakach	357.30	150, 320
Nyando	413.20	161, 508
Seme	190.20	121, 667

Source: (Kisumu County, 2021)

According to Fonshell (2018), the County Government of Kisumu has an executive arm headed by the Governor and a County Assembly comprised of elected/ nominated members under the leadership of the Speaker. A report by Kisumu County Integrated Development Plan 2013-2017 (2013) reiterates that the County lies within longitudes 33° 20'E and 35° 20'E and latitudes 0° 20'South and 0° 50'south and is bordered by Homa Bay County to the South, Nandi County to the North East, Kericho County to the East, Vihiga County to the North West and Siaya County to the West. The County covers a total land area of 2099.5 km² and another 567 km² covered by water. The County consists of seven sub-counties namely: Kisumu East, Kisumu West, Kisumu Central, Seme, Nyando, Muhoroni and Nyakach and 35 administrative wards. It also hosts Kenya's third largest city, Kisumu City with a population of about half a million.

1.2 Objectives of the study paper

The objective of this paper is to examine the strategies that the county government of Kisumu, Kenya can adopt to mitigate the effects of covid 19 on SMEs and the informal sector.

II. Covid-19 upshot and Hawking Practices on SMEs and the informal sector

Nugraheni *et al.*, (2020) while looking on the strategy of SMEs in the covid-19 pandemic period in Indonesia recommended that SMEs need to adopt an approach that involves boosting product quality, improving service quality and application of technological models in advertising, ordering and supplying goods and services as requested by customers from time to time. Similarly, Razumovskaia, *et al.* (2020), studying the effectiveness of Russian government policy to support SMEs in the COVID-19 pandemic concluded that in order to moderate the negative impact of the COVID-19 pandemic, detailed procedures must be adopted, which include tax, administrative, banking and financial support for small and medium-sized businesses.

The study by Omar *et al.*, (2020) while looking at the impact of covid-19 movement control order on SMEs’ businesses and survival strategies in Malaysia, concluded that investment into technology, apps, online marketing and new delivery system is prudent in impulsive future of the Covid-19 pandemic crisis. Besides that, Aftab *et al.*, (2021) writing on an analysis of COVID-19 implications for SMEs in Pakistan showed that review of government policies government financing schemes, youth entrepreneurship loans, withholding of skilled staff, liquidity provision with more short-term loans and hands-on planning for adverse future for revival of the SMEs sector during the COVID 19 pandemic period. Likewise, Gondwe (2020) while assessing the impact of covid-19 on Africa’s economic development observed that there is need for Africa to fabricate productive approaches to take into consideration essential economic vulnerabilities and improve continental potential to manage any pandemic. On the other hand, Nafula *et al.*, (2020) while conducting a research on poverty and distributional effects of COVID-19 on households in Kenya show cased that no one policy is effective on its own but there should be a harmonization of all economic policies in order in reducing poverty with the advent of COVID 19 pandemic.

Subsequently, with the advent of COVID 19, it was vivid that the economy had a direct impact on households across the board despite of their location and the various sectors of the economy in Kenya (FSD Kenya, (2021). Finally, the Kenya National Bureau of Statistics (2020) survey on socio economic impact of COVID-19 on households report concluded that while taking into account the COVID-19 pandemic, the national poverty headcount ratio increased relatively by 13.0 percentage points from an estimated 28.9% in the pre-COVID-19 period in 2019 to 41.9% in 2020, consequently, approximately 6.1 million people, or 13.0% of Kenya’s population, are anticipated to have fallen into poverty in 2020. In Nairobi and Mombasa where the lockdowns were implemented, the absolute poverty incidence increased from 14.0% before the crisis (2019) to 38.6% after the COVID-19 effects (2020), as a result pushing nearly 1,452,443 people into poverty in 2020. Based on this survey, it can be modeled in Kisumu County with the introduction of COVID 19 containment measures and later lockdown in the lake region counties where Kisumu county is one of them, hence impacting its SMEs and the informal sector directly.

COVID-19 has is the most serious global health crisis after the Spanish flue of 1918, but despite the pandemics, the level of globalization in 2020 has meant that any containment policies established by governments would have a great impact on economies, and therefore small businesses in those economies (C4G, 2020). Hence, as a result Kisumu County Government ought to come up with robust policy frameworks to address the issues of rekindling its economic so us to inject new approaches it its various SMEs and the informal sector.

3.0 Models to be adopted in Kisumu County to revive SMEs and informal sector due to the COVID 19 pandemic

S/No.	Model to be adopted	Approach to be induced for the recommended Model Approach	Author(s) recommending the approach
1.	<ul style="list-style-type: none"> • improving service and service quality • application of technological models in advertising, ordering and supplying goods and services 	boosting product quality, improving service quality and application of technological models	Nugraheni <i>et al.</i> , (2020)
2.	Work frames for SMEs on: <ul style="list-style-type: none"> • tax, • administrative • banking and financial support 	Detailed procedures must be adopted, which includes tax, administrative, banking and financial support for small and medium-sized businesses.	Razumovskaia, <i>et al.</i> , (2020)& Omar <i>et al.</i> , (2020)
3.	Rationalization of: <ul style="list-style-type: none"> • Government policies • youth entrepreneurship loans • withholding of skilled staff 	review of government policies government financing schemes, youth entrepreneurship loans, withholding of skilled staff, liquidity provision with more short-term loans and hands-on planning for adverse future for revival of the SMEs sector	Aftab <i>et al.</i> , (2021) & Nafula <i>et al.</i> (2020)
4.	Harmonization of productive approached	Fabricate productive approaches to take into consideration of essential economic vulnerabilities and improve continental	Gondwe (2020)

potential to manage any pandemic.

Source: (Adopted from Nugraheni *et al.*, 2020; Razumovskaia, *et al.*, 2020; Omar *et al.*, 2020; & Gondwe, 2020)

The main economic activities of the residents of the County revolve around trade, farming and fishing (Kisumu County CIDP 2018-2022; Kisumu County Government, 2018). The County contributes greatly to the national Gross Domestic Product, GDP, through income largely generated from trade and investments, the blue economy benefits accruing from the bordering Lake Victoria, agro and food based industries such as sugar milling companies, cement and beverages production as well as the proposed special economic zones. The trade sector largely relies on small and medium enterprises which mainly operate from temporary business premises with others mainly hawking their wares along different streets and estates within the city (IIBRC, 2020).

Prior to devolution, some services currently offered by the County Government of Kisumu such as taxation and local trade regulations were managed through local government set ups of Muhoroni County Council, Kisumu County Council (covering Kisumu West, Seme areas), Nyando County Council, Nyakach County Council and Kisumu Municipality. These local authorities were all collapsed into the County Government of Kisumu as is currently constituted with enhanced functions as provided for in the fourth schedule of the Constitution of Kenya 2010. The provision of services is operationalised through a network of 10 departments with a total of 4,600 staff (Kisumu County Government, 2018).

The department of Business/ Trade, Cooperatives and Marketing is tasked with the promotion of trade and enterprise development within the County (Kiaka, Chikulo, Slootheer & Hebinck, 2021).

The writers however recognize that the main challenges that have bedeviled operations in the County is the oversprauling of temporary structures by traders and informal trading shades across the city. The department has made laudable attempts at constructing modern markets and decent structures with ongoing constructions in Kibuye market, Uhuru Market and other places across the county. However, the market structures and temporary trading shades have not been enough to accommodate the growing number of small scale businesses within the city. Moreover, the recent restructuring of the CBD to create ample space for all road users, control and regulate business operations and transportation as well as create modern trading points and shades has led to demolition of unstructured, temporary and informal business premises thus rendering many small scale traders without space from which they can sell their wares. This has resulted to an increased number of hawkers at bus stops and parks, streets and in the estates (Kiaka *et al.*, 2018).

A study by Onyango & Agong (2018) mentioned poor planning as one of the main challenges facing Kisumu City County. The poor planning of infrastructure as well as the lag in developing infrastructure has ensured that the growing population is left jeopardized in commercial activities such as trade with hawking a no exception. The County's strategic location puts it as a gateway to the great lake region of Africa, given that it is located on the shores of Lake Victoria. This puts it as a commercial hub as well as transport heart of western Kenya and the East African region. Service industries including and not limited to wholesale and retail trade, bicycle repair, car repair, with an average population density of 600 persons/km²(National Census, 2019), the county thus remains critical trading activities given the growing population (Kiaka *et al.*, 2018, KCG, 2018)

Lagat (2021) studying urban green spaces taking on Eldoret and Kisumu towns, explains that the increased number of hawkers has posed great challenges in effective implementation of covid-19 containment measures of proper sanitation through hand washing, social distancing and wearing of masks. Similarly, Onyango and Agong (2018) recognize that hawkers are not settled in any one given location thus making tracking of their operations difficult. They congest the CDB thus increasing population traffic flow that impedes the maintainance of social distancing. These analogies are affirmed by Kiaka *et al.*, (2018) who assert that the mobile nature of the operations of hawkers makes it difficult for them to have stationed hand washing points. They are therefore unable to regularly wash their hands thus exposing them to the possibility of contracting and spreading covid-19.



Photo: Children hawking in Kisumu city

Source: (Adopted from Daily Nation Newspaper, 19th June 2020)

According to the Kenya Ministry of Health, the country had a total of 204, 271 covid cases with 3970 deaths and 189,692 recoveries as of 2nd August 2021. Through the months of May, June and July 2021, Kisumu County experienced a spike in covid-19 infections mostly attributed to poor sanitation and inadequate implementation of the containment measures (Ministry of Health, Kenya, 2021). These challenges were largely blamed on the increasing informal sector occasioned by the demolitions of informal structures and lock-down measures that has resulted to increased number of hawkers in the city.

In order to effectively control the spread of covid-19, the County Government must purpose to find lasting solutions to the increasingly hawking problem. It is difficult to estimate exact number of hawkers in the city as they are not stationed neither do they religiously pay taxes thus missing in taxation rolls. However, a 2018 data from the County department of trade approximated the number of itinerant traders within Kisumu city at over 9000 (Kisumu County Government, 2018). This figure keeps increasing with current restricting of the town.

The County is therefore faced with dire need of adequate business structures and spaces that can accommodate these mobile traders. Once stationed in specific business blocks and premises, the County Government can therefore ensure stationed hand washing and sanitation points, routine checks on social distancing within and around the premises as well as enforcement of wearing of masks in order to curb the spread of covid-19. The continued spread of covid-19 has resulted to tremendous losses in business, deaths, loss of income, job losses, and depression amongst many challenges. These have largely been caused by containment measures including lock-downs, curfews, reduced business hours, restricted travels amongst others.

4.0 Ramifications of Hawking and Covid 19 Effects in Kisumu County

The Model of Hawking Practices and Covid 19 Effects in Kisumu County	Period of Adoption
1. Decongesting the city by building open air markets and metropolis in the outskirts	Immediately
2. Adopting urban planning practices such as aligning shops, malls, banks	Immediately
3. Construction and erection of footbridges in major centers and highways	Immediately
4. Construction of footpaths	Immediately

5. Adopting the inclusion of pathways for persons with disabilities	Immediately
6. Provision of hand washings and sanitization points at every major center	Immediately

Source: (Researcher, 2021)

Conclusion

There is no doubt that Covid 19 has had a resounding effect on Small and Medium Enterprises (SMEs) as well as the informal sector. Governments and service sector provision organizations must be agile and proactive in alleviating the challenges posed by the pandemic on effective service delivery. This paper offers useful insights on the models of ramifying the challenges posed by the Covid 19 pandemic on SMEs and the informal sector in the County Government of Kisumu, Kenya.

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